

Risk Management Policy



IRISH HERITAGE TRUST
Bringing Places to Life

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1. Policy Objective

Risk in this policy describes the uncertainty surrounding possible future events and their outcomes that may have a significant impact on any area of the Irish Heritage Trust's ("IHT" or "the Trust") operations. The likelihood of a risk occurring can only be estimated. To estimate risk properly, each risk should be identified, understood and evaluated by the board of charity trustees. Charity trustees are responsible for ensuring that a risk management system is put in place in order to protect the charity from any harm that may be caused, by reducing the likelihood of each risk occurring and minimising the impact of each risk where possible. Active risk management reduces the likelihood of a risk occurring or mitigates the impact if a risk does occur.

The Charities Regulator strongly recommends that charities have a clear risk management policy and process that is appropriate to their size and complexity.

The objective of this policy is to provide guidance on managing organisational risk to support the achievement of the Trust's strategic objectives in line with its culture and values, protect stakeholders and Trust assets, as well as ensuring optimal outcomes and achievement of business goals. The policy framework comprises the following:

- Outline of IHT Risk Governance
- Identification of Principal Risks
- Assessment of Principal Risks
- Identification of Mitigation Strategies and Actions
- Monitor and review of risk activities
- Communication and reporting of risks

2. IHT Risk Governance

Roles	Responsibilities
Directors/Trustees	<p>Required to identify and review the risks to which the Trust is exposed and to assess the potential likelihood and seriousness of such risks, should they occur.</p> <p>Trustees must satisfy themselves that risk management is embedded in the organisation and adequate systems are in place to monitor, manage and where</p>

	relevant, mitigate IHT's exposure to such risks.
Finance Audit & Risk Committee	Review of risk register at each Finance Audit & Risk Committee meeting. Detailed review of policy and risk register annually and report to board.
Managers and Staff	Comply with IHT's risk management policy and processes. Foster an organisation wide environment which supports the identification and escalation of risks.
CEO and Senior Management Team	Review of key management reports, issues and actions at every management meeting. As external events occur or operational challenges arise, discuss and decide on introduction of new risks or amendment of existing risks. Promote dynamic risk management processes throughout the organisation, encouraging transparent and prompt reporting/escalation of issues arising.

3. Risk Identification

Risk management is actively considered in all key aspects of IHT's business planning, performance management, project management, business continuity management and audit and assurance. Organisation wide risks are identified and considered by IHT's Finance Audit & Risk Committee and its trustees. In addition to this, each of the properties managed by IHT has risks specific to its particular context and these are identified and considered by the senior management team, including the General Manager of each of the properties.

During 2019, IHT's management team, in conjunction with its Finance Audit & Risk Committee undertook a detailed review of the many risks to which IHT could be exposed and identified them under six main categories:

- **Operational**
- **Governance and Management**
- **Financial**
- **Environmental**
- **Stakeholder Management**
- **Compliance**

While the Charities Regulator suggests Reputational Risk as a separate category, IHT currently considers the reputational impact of each risk under the six categories it currently assesses, as we believe that any mitigation strategy should include reputational elements arising from the underlying risk.

4. Risk Assessment

Each identified risk is described in the IHT Risk Register, together with examples of the potential impacts of each risk materialising. Each risk is assessed by considering the following rating criteria:

- **Likelihood of Risk** (Scale: Low, Medium, High)
- **Level of Seriousness of Risk** (Scale: Low, Medium, High, Extreme)

A combined Grade is assigned based on both the likelihood of Risk and Seriousness and recommended actions are described for each grade of risk, as shown below:

Grade: Combined effect of Likelihood/Seriousness					
	Seriousness				
		low	medium	high	EXTREME
Likelihood	low	N	D	C	A
	medium	D	C	B	A
	high	C	B	A	A

At each review date, the direction of travel of each risk is also documented, indicating our view of whether we believe the risk grade has remained static since previous review, increased or decreased.

5. Risk Mitigation

During the 2019 review of risk, a series of mitigation actions was identified in relation to each risk, and a timeline recommended for the implementation of each mitigation action plan. The Combined Risk Grade determines the level of priority that is associated with each mitigation action and is described below. Each risk identified has an owner assigned to it, with responsibility for the relevant mitigation action.

Recommended actions for grades of risk	
Grade	Risk mitigation actions
A	Mitigation actions, to reduce the likelihood and seriousness, to be identified and implemented as soon as the project commences as a priority.
B	Mitigation actions, to reduce the likelihood and seriousness, to be identified and appropriate actions implemented during project execution.
C	Mitigation actions, to reduce the likelihood and seriousness, to be identified and costed for possible action if funds permit.
D	To be noted - no action is needed unless grading increases over time.
N	To be noted - no action is needed unless grading increases over time.

Another element of IHT's risk mitigation approach is to assign 'RAG' status to each risk mitigation action in the Risk Register. The RAG status describes the rate of progress towards the achievement of mitigation actions, rather than describing the level of seriousness of any actual or retained risks identified. For the purpose of this policy, 'Red' indicates the mitigation action has not yet commenced. 'Amber' indicates that implementation of agreed mitigation action plans has commenced but is yet to be completed, or is likely not to be completed by the target completion date. 'Green' means all identified mitigation action plans have been completed.

6. Risk Monitoring and Review

IHT's Trustees are ultimately responsible for the system of risk management and internal control and through the Finance Audit & Risk Committee, reviews the effectiveness of this approach and system. IHT's Trustees are committed to conducting an annual review of the nature and extent of the principal risks to which the Trust is exposed, in the context of the risk it is willing to take in achieving its strategic objectives. This means that for all key decisions taken by the Trustees, risk appetite is assessed to balance opportunities for development and growth of the Trust with the requirement to maintain reputation and strong levels of stakeholder support.

It is the responsibility of IHT's senior management team to promote risk management processes throughout the organisation and to encourage transparency in reporting and prompt issue and risk escalation in the first instance to the CEO. At each property, it is the responsibility of the General Manager to ensure that all staff and volunteers are fully conversant with IHT's Risk Management policy and procedures and that all new staff receive the appropriate training to identify and manage risks, as part of their induction process. Working with his/her team, the General Manager at each property is

responsible for reviewing risks on a monthly basis, ensuring that any risks, whether new/emerging or existing are considered by reference to IHT's risk management policy and process, using the risk register to record updates.

Quarterly reviews are captured by each Property General Manager within the risk register and discussed with the CEO and senior management team, highlighting:

- Progress in relation to implementation of Mitigation Actions, with an emphasis on the highest graded risks identified;
- Any new/emerging risks, requiring to be considered by Irish Heritage Trust.
- Updates in relation to any risks that have materialised and factors that require consideration including the Trust's reputation and stakeholder engagement.

In the event of any significant risk emerging, the General Manager is required to escalate any such matter without delay to the CEO with a view to ensuring timely and appropriate attention to any key risk, outside of the normal Risk Monitoring and Review cycle.

The Finance Audit & Risk Committee review the risk register at each meeting and provides updates to the Trustees at board meetings. IHT's senior management team is responsible for ensuring a dynamic approach to risk identification, reporting and escalation, as well as managing the risk mitigation plans on an ongoing basis, providing updates for each Finance Audit & Risk Committee meeting. In addition, the senior management team is responsible for producing an annual update in advance of the annual review of risk by IHT's Trustees.

7. External Risk Communication and Reporting

In 2018, the Charities Regulatory Authority took on responsibility for establishing the standards for good corporate governance for charities and in November 2018, it published a new Charities Governance Code with which all charities are expected to start reporting their compliance by 2021. IHT has reviewed the Code and has substantially advanced its preparation to ensure compliance by 2021, including (1) the implementation of a comprehensive risk management process and (2) preparation of its annual accounts in accordance with Financial Reporting Standard FRS102.