

Policies and Procedures



Policies and procedures are rules and guidelines that help us run Purple Patch Arts in the best way we can. They keep everyone safe and make sure everyone is treated fairly.



We want to make sure that everybody at Purple Patch Arts can access and understand our policies and procedures.



Please contact us if you have any questions, need help understanding this information, or would like to receive it in a format that suits your needs (large print, audio, Easy Read with pictures, or another language).



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Risk Management Policy

1. Introduction

Risk is the uncertainty surrounding events and their outcomes that may have an impact on Purple Patch Arts. All our activities carry some risk, arising either from potential threats or the non-realisation of opportunities which may harm, prevent, hinder or interfere with the achievement of our objectives.

Risk is inherent in every activity and this policy sets out how Purple Patch Arts will manage risks to ensure a balanced approach to opportunity and risk. It explains the approach to risk management; defines risk and how it is assessed, evaluated and escalated; and documents roles and responsibilities for the management of risks.

2. Risk management

Risk management enables organisations to evaluate and respond to risks and opportunities and seeks to manage the impact of uncertainty by increasing the probability of success and reducing the likelihood of failure.

Effective risk management involves evaluating the uncertainties and implications within options and managing impacts once choices are made. It provides a process for identifying risks around new, proposed and current business activities, and involves the categorisation and evaluation of each risk and the application of management controls to mitigate the risk. The evaluation is based on a judgement of the likely impact if no further action is taken, combined with an assessment of the likelihood of the risk re-occurring.

Risk management should be both an integral part of all organisational activities to support decision-making in achieving objectives and embedded within the culture of the organisation.

3. Risk identification and assessment

Like all organisations, Purple Patch Arts faces risks, actual and theoretical, that range from the trivial to the existential. This policy is intended to address both the strategic risks which arise from our strategic ambitions and from the potential external threats to Purple Patch Arts from the developments in our operating environment, and the operational risks to our objectives and plans we put in place each year to manage and deliver our operational activities.

Risk assessment is a qualitative or quantitative evaluation of the nature and magnitude of risk to our objectives and planned activities. The evaluation is based upon known vulnerabilities and threats and considers the likelihood of the threats being realised and their impact on our work.

4. Company Risk

As part of the business planning process, the CEO will ensure the strategic risks that affect delivery of Purple Patch Arts' strategy are identified and included in the strategic Risk Register, for review and approval by the Board.

The Risk Register documents and rates risk in the areas of Governance, Operational, and Financial. As part of this process, the CEO will also consider risk interdependencies with key partners.

Trustees are involved in discussions where there is a substantive new development proposed or substantive change to existing activities.

Risk registers are also produced for significant projects, and these will be used to provide mitigations and assurances to the CEO and Trustees.

5. Categorising risks

Each risk will be assigned an overall score depending on its impact and the likelihood of it occurring by applying the approach set out in appendix A. This initial assessment takes account of mitigating controls and assurances already in place and provides a current risk score rating.

Risks are scored by giving each risk a score of 1 to 5 both for the likelihood of it arising and for its potential impact on the organisation. In assessing the likelihood of risks arising, a judgement will be made as to whether the possibility of a risk realising is deemed to be remote (1), unlikely (2), possible (3), probable (4), or highly probable (5). In assessing the impact on the organisation of a risk realising, a judgement will be made as to whether the result is deemed to be insignificant (1), minor (2), moderate (3) major (4), or extreme (5).

An overall assessment of each risk is made according to its impact and likelihood of occurrence based on the current controls in place, using the scoring matrix set out in Appendix A, leading to an overall score of very low, low, medium, high or very high.

6. Treatment of Risks

Any risks identified as 'high' or 'very high' will be reviewed by the CEO and by the Board of Trustees to determine the action to be taken. This is called the treatment of risks.

Options open to treat risks include:

- Avoiding the risk, if feasible, by deciding not to start or continue with the activity that gives rise to the risk
- Taking or increasing the risk in order to pursue an opportunity or a strategic priority
- Retaining the risk by informed decision

- Changing the likelihood, where possible
- Changing the impact, including planning contingency activities
- Sharing the risk with another organisation or consultant (eg through a contract or partnership agreement)
- Introducing new control measures where possible

Any further planned actions to reduce the risk score are discussed at Board meetings and recorded in the minutes, with the aim of reducing all risks to 'medium' or lower. These actions should be SMART (specific, measurable, achievable, relevant, time bound) and a realistic completion date should be assigned to each action.

The Risk Register will be reviewed in advance of quarterly Board meeting, with the controls being reviewed termly. The Risk Register will also be reviewed any time a major risk status changes.

7. Risk appetite

In developing and monitoring the implementation of our strategic priorities and operational plans, we need to assess the actions we intend to take, together with any known external circumstances that may have an impact on the organisation, for the risks they may pose. This has to be done with an understanding of the extent to which we are prepared to accept the risks associated with the actions we plan to take. This is our 'risk appetite'; the extent to which we will tolerate known risks, in return for the benefits expected from a particular action or set of actions.

Through approval of this policy, the Board determines the organisation's risk appetite and sets the culture of risk management within Purple Patch Arts with particular regard to new initiatives and emerging risks.

With careful planning and management, we aim to operate with a medium, low or very low level of risk wherever possible.

However, there are circumstances where we may be prepared to tolerate high or very high risk, for example if we are making significant changes to current work, taking on new activities, or external pressures impact our work. We also need to take account of risks that arise from the actions of other organisations that give rise to greater risk for us.

It is very likely as a result of the increasingly complex health and social care environment, and the ambitions of Purple Patch Arts to become a more needs-based, agile, flexible and innovative organisation, that the future risk profile for the organisation will increase.

We may therefore need to consider accepting high risks in certain circumstances. This may be in situations where the actions involved represent the single, or least unpalatable option to manage the issues involved, which may have been externally imposed, and therefore over which Purple Patch Arts will have little or no direct control. In addition, it may be necessary to accept a high risk if an activity is central to our strategic priorities and the risks of not proceeding outweigh the risks of undertaking the activity. The Board will be asked to consider such risks in detail and will

need to have reviewed and taken a position on alternative courses of action before the risk is accepted.

The risk appetite in relation to individual risks may not therefore be static and may need to vary according to the circumstances facing Purple Patch, which at times, may justify accepting a higher level of risk than would usually be the case.

Our risk appetite with regards to Participant risk also considers the fact that we operate a clear strengths-based approach that embeds positive risk taking in our service delivery. This approach is built upon the trusting and co-working relationships between participants and staff and a consistent personalised approach Positive Risk Taking is documented in our Quality Standards Procedure, showing a proactive approach to positive risk taking in our outputs. This is achieved through:

- Induction and training for a values-led staff team who acknowledge the humanity and creativity of positive risk taking, with staff allowing space for participants to set themselves challenging goals
- Access needs and daily reports used to identify opportunities for positive risk-taking
- Scheme of Work developed that tackles wide-ranging, topical, and often challenging subjects
- Session planning allowing space for, and trust in, staff to try out new ideas/techniques/art forms
- Challenging projects that allow participants to push themselves to try new things and develop new skills (e.g. mindfulness / using drills / transitions / research)
- Differentiation in session planning that allows our values-led staff team to deliver diverse activities around what participants could do, with their support, not what they can't do.

8. Responsibility

The CEO and Board of Trustees have ultimate responsibility for the Risk Management Policy. It is their responsibility to implement, monitor and evaluate the policy and its delivery.

9. Review

This policy will be reviewed biennially.

Appendix A: Quantifying and monitoring risks

Each risk is allocated an **impact** score using the descriptions below ranging from Insignificant with a score of 1 to Extreme with a score of 5.

Impact	
Extreme	<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
Major	<ul style="list-style-type: none"> service disrupted adverse publicity not avoidable (local media) complaint probable litigation probable
Moderate	<ul style="list-style-type: none"> some service disruption potential for adverse publicity - avoidable with careful handling complaint probable litigation probable
Minor	<ul style="list-style-type: none"> slight impact on service slight impact on reputation complaint possible litigation possible
Insignificant	<ul style="list-style-type: none"> no impact on service no impact on reputation complaint unlikely litigation risk remote

Each risk is allocated a **likelihood** score ranging from Remote with a score of 1 to Highly Probable with a score of 5.

A summative score will be calculated. We use a scoring system recommended by the Charities Commission, which works by multiplying impact with likelihood then adding a weighting again for impact. This leads to an overall rating of the risk. Risks can then be mapped into a risk matrix (below) that has five purple zones.

When assessing the likelihood and impact of risk, the most credible worst-case scenario should be considered, not the worst-case.

Impact		10 <i>Medium</i>	15 <i>High</i>	20 <i>High</i>	25 <i>Very high</i>	30 <i>Very high</i>
		8 <i>Low</i>	12 <i>Medium</i>	16 <i>High</i>	20 <i>High</i>	24 <i>Very high</i>
		6 <i>Low</i>	9 <i>Low</i>	12 <i>Medium</i>	15 <i>High</i>	18 <i>High</i>
		4 <i>Very low</i>	6 <i>Low</i>	8 <i>Low</i>	10 <i>Medium</i>	12 <i>Medium</i>
		2 <i>Very low</i>	3 <i>Very low</i>	4 <i>Very low</i>	5 <i>Low</i>	6 <i>Low</i>
		1 <i>Remote</i>	2 <i>Unlikely</i>	3 <i>Possible</i>	4 <i>Probable</i>	5 <i>Highly probable</i>
		Likelihood				

Appendix B: Risk register template, and control measures

B.1 Risk Register Template

Risk #	Area of Risk	Likelihood	Rating	Impact	Rating	Score	Controls Reviewed (termly)	Scores Reviewed (board)
	Governance							
	Operational							
	Financial							

Risk #: Shows how many risks we're currently monitoring, and tracks onto the risk controls

Area of Risk: Is the risk relating to Governance, Operational, or Financial

Risk within Areas of Risk: The risk itself, expressed in terms of a cause and an event, and their impact.

Current rating: The score allocated to the impact and likelihood of the risk, and the score rating allocated to it *after the application of current controls/mitigations*.

B.1 Control Measures Template

Governance	
1	Name of risk:
	Control:
	Responsibility:
2	Name of risk:
	Control:
	Responsibility:
Operational	
10	Name of risk:
	Control:
	Responsibility:
11	Name of risk:
	Control:
	Responsibility:

Financial	
24 Name of risk:	
Control:	
Responsibility:	
25 Name of risk:	
Control:	
Responsibility:	

Control: The actions in place to mitigate the risk, together with any timings.

Responsibility: The person(s) with responsibility for enacting the control measures

