## Risk Management Strategy and Plan

### Introduction

John Readings recognises that risk management is an essential component of good management practice and is committed to the proactive management of risks across the organisation. The strategy is designed to:

* Identify, evaluate, control and manage risks, including environmental risks,
* Ensure potential threats and opportunities are identified and managed,
* Inform management, partners and staff members about their roles, responsibilities and reporting procedures with regards to risk management, and
* Ensure risk management is an integral part of planning at all levels of the organisation.

### Guiding Principles

John Readings is committed to achieving its vision, business objectives and quality objectives. This will be achieved through the proactive management of risk at all levels of the organisation. John Readings acknowledges that embracing innovative ideas and practices carries with it risks, but that these are identifiable and measurable and therefore capable of being subject to realistic risk mitigation processes.

### Responsibility and authority

* Managers/suppliers and other key stakeholders have responsibility for ensuring that risk management is in place.
* Managers/suppliers and other key stakeholders have the responsibility of reviewing the Risk Action Plan (outlined in the table at the end of this document) on a monthly basis.
* Staff have responsibility to support and implement policies approved by the partners.

Key risk indicators will be identified*,* closely monitored and action taken where necessary*,* by all employees of John Readings.

### Risk Management Framework

This framework encompasses a number of elements that together facilitate an effective and efficient operation, enabling the company to respond to a variety of operational, financial, commercial and strategic risks. These elements include:

* **Policies and procedures:** A series of policies underpin the internal control process.
* **Reporting:** Decisions to rectify problems are made at regular meetings of the management, suppliers and other key stakeholders.
* **Business planning and budgeting:** The business planning and budgeting process is used to set objectives, agree on action plans and allocate resources. Progress towards meeting business plan objectives is monitored regularly by the partners. Contingency planning is undertaken as required.
* **Risk management review:** Suppliers and other partner companies are required to report monthly.
* **External audit:** The final audit of financial statements is controlled by an external chartered accountant who provides feedback to management.

### Definitions

Risks are identified on a scale of likelihood of occurring in the next 12 months and assigned an impact or consequence of the risk as high, medium or low:

* **High** includes either a significant shortfall of around 40% in achieving budget or a significant reduction in ability to function in such a way as to achieve company goals.
* **Medium** includes either a shortfall of budget of between 10% and 20% or some reduction in function.
* **Low** indicates minor reductions in achieving budget or minimal reduction in performance.

**Risk Management Action Plan**

| **Risk** | **Risk likelihood** | **Risk impact** | **Controls** | **Monitoring** | **Timelines** | **Responsible** |
| --- | --- | --- | --- | --- | --- | --- |
| John Readings (JR) fails to meet revenue goals | Medium | High | * Tightly plan and manage skills and capability. | * Scorecard results * Financial statements | Monthly and quarterly reporting | Managers at each level |
| JR fails to expand market share | Medium | High | * Manage performance and adherence to organisational values. * Maintain marketing plan and promotions * Regular training. | * Revenue figures * Customers * Social media statistics | Monthly and quarterly reporting | Managers at each level |
| JR fails to recruit and retain staff in areas of critical need (management, digital marketing, logistics) | Medium | High | * Manage performance and adherence to organisational values. * Take steps to become an Employer of Choice (steps TBD). * Plan strategic approach to workforce and staffing for four years in alignment with organisational goals. * Consult to complete shorter-term (yearly) staffing plans in business partnership with relevant managers in alignment with workforce strategic planning. | HRMS statistics:   * Training numbers * Recruitment figures * Turnover * Internal climate survey results | Monthly and quarterly reporting | Managers at each level |
| JR fails to comply with legislative requirements | Low | High | * Manage performance and adherence to organisational values. * Regular review of legislative environment and relevant policies i.e. privacy and consumer protections. * Complete enterprise agreements. * Implement grievance and dispute resolution processes. | HRMS statistics:   * Demographics * Audit results * Organisational climate survey results | Monthly and quarterly reporting | Managers at each level  Individual  staff and contractors |
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