ASPIRE LOCUMS
RISK MANAGEMENT

This risk management policy forms part of the Aspire Locums internal control and corporate governance arrangements.

The policy explains Aspire Locums underlying approach to risk management, documents the roles and responsibilities of employees. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

In addition, it describes the process Aspire Locums will use to evaluate the effectiveness of its internal control procedures.

1. Underlying approach to risk management

The following key principles outline Aspire Locums approach to risk management and internal control: -

- Your Line Manager has responsibility for overseeing risk management within Aspire Locums as a whole. In this respect it supports, advises, and implements new policies as necessary.

- Your Line Manager has responsibility for reviewing the effectiveness of the risk management process.

- Your Line Manager categorises risks according to their impact and likelihood and assesses their financial and non-financial implications.

- Your Line Manager is responsible for encouraging good risk management practice within their respective areas of responsibility.

- The risk management process is integrated with the business planning process.

- Key risk indicators will be identified and closely monitored on a regular basis.

Aspire Locums, 33 Lauriston Road, Liverpool L4 9TP.
Tel: 0151 909 3556 Fax: 0151 207 4979
E: mail@aspirelocums.co.uk W: www.aspirelocums.com
Registered in England and Wales 7356683

DOC06.1 Risk Management   Page(s) 1/4   30/07/2013

2. Role of the Directors and Line Managers.

Your Line Manager has a fundamental role to play in the management of risk. their role is to: -

- Obtain or request from Directors an explanation of the risk management strategy.

- Ensure that a risk register has been compiled, maintained, and updated.

- Monitor the management of significant risks to reduce the likelihood of unwelcome surprises.

- Satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.

- Ensure that auditors have plans to satisfy themselves on the adequacy of risk management and are able to provide an annual assessment of risk management and internal controls.

- Annually review Aspire Locums approach to risk management and approve changes or improvements to key elements of its processes and procedures.

3. Role of the Line Manager

- Key roles of the Line Manager are to: -

  o Implement policies on risk management and internal control.

  o Receive risk reports for management purposes.

  o Consider the potential aggregate impact for Aspire Locums, high impact risks with a view to considering implications for this policy.

  o Provide adequate information in a timely manner to the auditors on the status of risks and controls.

Good risk management practice is about having a holistic approach and balancing stability and innovation. This requires that the top-down strategic assessment of risk at Aspire Locums level, which is the responsibility of the Line Manager, be properly informed by a bottom-up operations-wide risk assessment, which is the responsibility of the Directors of Aspire Locums. Their responsibilities therefore include: -

  o Adoption and encouragement of best practice risk management procedures within their individual area of responsibility, including cascading down responsibilities for identifying, assessing, managing, and reporting risks within their sub-departments, functions, and projects.

  o Regularly discussing and reviewing significant risks, and their management, within their own area of responsibility to satisfy themselves that major risks are being properly managed and controlled.

Aspire Locums, 33 Lauriston Road, Liverpool L4 9TP.
Tel: 0151 909 3556 Fax: 0151 207 4979
E: mail@aspirelocums.co.uk W: www.aspirelocums.com
Registered in England and Wales 7356683

DOC06.1 Risk Management   Page(s) 2/4   30/07/2013

- o Reporting to the Directors, at least annually, the most significant risks identified in terms of likelihood and impact within their own area of responsibility, together with details of how these risks are being managed.

4. Risk management as part of the system of internal control

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, which supports the achievement of Aspire Locums policies, aims and objectives. These elements include: -

- o *Financial Regulations and Procedures.*

Aspire Locums approved financial regulations and procedures underpin the internal control process. The policies are approved by the Company Directors and are implemented and communicated by Line Management to all members of staff.

- o *Business planning and budgeting.*

The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly. The risk management process is to be embedded within the business planning process.

- o *High level risk framework.*

This framework is overseen by Your Line Manager and helps to facilitate the identification, assessment, and ongoing monitoring of risks significant to the company. The corporate risk register is informed by the regular reports of operational risks made by Your Line Manager. The framework is formally appraised annually but emerging risks are added as required, and improvement actions and risk indicators are monitored at least on a six-monthly basis.

- o *Departmental risk.*

Aspire Locums develop and use this framework to ensure that significant risks within their spheres of responsibility are identified, assessed, and monitored. The document is formally appraised annually but emerging risks are added as required, and improvement actions and risk indicators are monitored regularly by business units.

- o *Auditors.*

The Auditors are required to report to the Company Directors on internal controls and alert members of staff to any emerging issues. In addition, the Auditors can advise on improvements actions as required in its review of internal controls. The Company is therefore well placed to provide advice to its staff on the effectiveness of the internal control system, including the company's system for the management of risk.

- o *Internal audit programme.*

The Internal audit is an important element of the internal control process. Apart from its normal programme of work, the internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system.

Aspire Locums, 33 Lauriston Road, Liverpool L4 9TP.
Tel: 0151 909 3556 Fax: 0151 207 4979
E: mail@aspirelocums.co.uk W: www.aspirelocums.com
Registered in England and Wales 7356683

DOC06.1 Risk Management   Page(s) 3/4   30/07/2013

      ○   *External audit.*

External audit provides feedback to the Company Directors on the operation of the internal financial controls reviewed as part of the annual audit.

5. Annual review of effectiveness of internal control

      ○   The Auditors, on behalf of the Company, are responsible for reviewing the effectiveness of internal controls. This will include reviewing Aspire Locums track record on risk management and internal control for the previous financial year and considering the internal and external risk profile for the coming financial year.

The Auditors will apprise Aspire Locums, who will evaluate the effectiveness of the internal control procedures on an annual basis.

Aspire Locums, 33 Lauriston Road, Liverpool L4 9TP.
Tel: 0151 909 3556 Fax: 0151 207 4979
E: mail@aspirelocums.co.uk W: www.aspirelocums.com
Registered in England and Wales 7356683
DOC06.1 Risk Management   Page(s) 4/4   30/07/2013