

## RISK MANAGEMENT POLICY

### 1 Introduction

- 1.1 Formerly known as the Hailsham & District Sports Alliance, Hailsham Active (Community Interest Company, CIC) has been running since the early 1990s. Hailsham Active's objectives are to:
- Unite, and support the sports clubs and physical activity providers within the Hailsham and surrounding areas (its service users);
  - Promote and deliver a range of physical activities and sports to enable the local community to increase their levels of physical activity and well-being;
  - Develop, with partners, the local infrastructure to enable sport and physical activity to be accessed by local people;
  - Support wider local partnerships, helping to build stronger and healthier communities .

### 2 Risk Statement and Framework

- 2.1 CICs need be concerned about the risks their CIC faces, and they are encouraged by Government to:
- make a risk management statement as a matter of good practice;
  - devise and maintain a Risk Management Register/Tool based on:  
<https://www.gov.uk/government/publications/charities-and-risk-management-cc26/charities-and-risk-management-cc26> .
- 2.2 The risks to the activities and operations of Hailsham Active would, if not addressed, prevent the CIC from fulfilling its aims and purposes.
- 2.3 Hailsham Active will manage the risks by adopting one or more of the following approaches:
- transferring the financial consequences to third parties or sharing it, usually through insurance or outsourcing;
  - avoiding the activity giving rise to the risk completely – eg: by not taking up a contract or stopping a particular activity or service;
  - management or mitigation of risk;
  - accepting or assessing it as a risk that cannot be avoided if the activity is to continue – eg: where the Hailsham Active take out an insurance policy that carries a higher level of voluntary excess, or where Hailsham Active recognise that its activities or operations carries a risk but they can take steps to mitigate it.
- 2.4 Hailsham Active has considered the following factors when devising its Risk Management Register:
- the CIC's aims, purposes and strategy;
  - the nature and scale of the CIC's activities;
  - the outcomes that need to be achieved;
  - external factors that might affect the CIC, such as legislation and regulation;
  - the CIC's reputation with its major funders and supporters;
  - past mistakes and problems that the CIC has faced;

- the CIC's operating structure;
- comparison with similar CICs working in the same area, or of similar size;
- examples of risk management policy and procedure prepared by other CICs or other organisations.

### 3 Assessing Risk

3.1 Risks have been assessed using the following tools.

#### Impact

Type	Score	Impact on service and reputation
Insignificant	1	No impact on service No impact on reputation Complaint unlikely Litigation risk remote
Minor	2	Slight impact on service Slight impact on reputation Complaint possible Litigation possible
Moderate	3	Some service disruption Potential for adverse publicity - avoidable with careful handling Complaint probable Litigation probable
Major	4	Service disrupted Adverse publicity not avoidable (local media) Complaint probable Litigation probable
Extreme/Catastrophic	5	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

#### Likelihood

Type	Score	Example
Remote	1	May only occur in exceptional circumstances
Unlikely	2	Expected to occur in a few circumstances
Possible	3	Expected to occur in some circumstances
Probable	4	Expected to occur in many circumstances
Highly probable	5	Expected to occur frequently and in most circumstances

#### Overall Risk

LOW = GREEN = minor or insignificant risks scoring 6 or less

MEDIUM = AMBER = moderate or major risks that score between 7 and 14

HIGH = RED = major or extreme/catastrophic risks that score 15 or more.

## **4 Addressing risks**

4.1 For each risk, Hailsham Active will identify the action(s) that needs to be taken to manage the risk, either by lessening the likelihood of the risk occurring, or lessening its impact if it does. For example:

- the risk may need to be avoided by ending that activity;
- the risk could be transferred to a third party (eg use of a trading subsidiary, outsourcing or other contractual arrangements with third parties);
- the risk could be shared with others (eg a joint venture project);
- the CIC's exposure to the risk can be limited (eg establishment of reserves against loss of income, phased commitment to projects);
- the risk can be reduced or eliminated by establishing or improving control procedures (eg internal financial controls, controls on recruitment, human resources policies);
- the risk may need to be insured against (covering employers liability, third party liability, theft, fire);
- the risk may be accepted as being unlikely to occur and/or of low impact and therefore will just be reviewed annually.

## **5 Reviews**

5.1 Risk management is a dynamic process, so Hailsham Active will regularly review the Risk Management Register and update it with new risks and mitigating actions as required.