

Welsh Fencing Ltd – Risk Management Policy

1 Risk Management Strategy

- 1.1 A risk management strategy provides a structured and coherent approach to identifying, assessing and managing risk. It builds in a process for regularly updating and reviewing the assessment based on new developments or actions taken.
- 1.2 The process of identifying and reviewing the risks that you face is known as risk assessment. By assessing risks you are able to be actively aware of where uncertainty surrounding events or outcomes exists and identifying steps that can be taken to protect the organisation, people and assets concerned.

2 Policy

- 2.1 Welsh Fencing set aside one committee meeting per year to review the major risks faced by the group. The Chairman has responsibility for risk management and facilitates the discussion. They ensure that the discussion is documented and use subsequent meetings to check progress against actions are then followed up in subsequent meetings. Every 6 months this committee member reports to the committee on any changes in the levels of risk faced.

3 Conducting risk assessment

- 3.1 Regardless of who carries it out, risk assessment should be:
 - systematic;
 - recorded; and
 - regularly reviewed.
- 3.2 As a Management Committee, we concern ourselves most with identifying and managing major risks.
- 3.3 Major risks are those risks which have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives or could damage the reputation of Welsh Fencing, changing the way management committee members, supporters or beneficiaries might deal with the charity.

4 Categories of Risk

- 4.1 The following are the categories of risk with which we concern ourselves:
 - Strategic
 - Operational
 - Financial
 - People
 - Regulatory
 - Governance

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4.2 Strategic

4.2.1 We look at external risks, which may affect our organisation such as changes in the environment in which you operate. It also lets us look at setting organisational objectives and ensuring we set the right ones and then meet them.

4.3 Operational

4.3.1 This looks at the risks which arise from the services we deliver or the activities we carry out.

4.4 Financial

4.4.1 This covers financial risks facing the organisation in terms of internal systems, planning, funding etc.

4.5 People

4.5.1 Review risks associated with the involvement of volunteers.

4.6 Regulatory

4.6.1 This category looks at the legislative framework within which our organisation operates.

4.7 Governance

4.7.1 This category allows us to review the risks, which are part of the management of the organisation.

5 Conducting a risk assessment

5.1 Regardless of the size or scope of the issues to be assessed, or the length of time available, the process of assessing risk involves the same basic key steps:

1. identifying
2. categorising/rating
3. managing and
4. reviewing risk.

5.2 Identify the risk.

5.2.1 Refer back to the definition of risk and ask yourself, "Where is there uncertainty surrounding events or outcomes that could impact on our operational performance, ability to achieve our aims and objectives or our ability to meet the expectations of stakeholders?"

Examples:

- Do you face a risk of fire in our premises?
- Are we at risk of losing key staff members?
- Is there a risk of serious damage to the organisation's reputation (e.g. child abuse allegations within a playgroup project)?

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- Is there a risk that funding streams could be terminated?
- 5.2.2 Sometimes it is useful to think of these grouped categories according to the various aspects of the organisation and its activities which you need to consider.
- 5.3 Categorise/rate the risk
- 5.3.1 We now need to work out which of these risks you really need to worry about. We can do this by categorising each risk according to:
- likelihood (ie whether or not it is reasonable to expect an event or outcome to happen);and
 - impact (ie even if something did happen what would be the impact on the organisation and its work?)
- 5.3.2 There are many different ways of categorising risks - they can be given a numerical value (e.g. ranging from 1-5 according to seriousness in each category) or they can simply be rated as High, Medium or Low risks.

6 Managing the risks

- 6.1 Having identified and categorised the risks, you now need to work out what you can do about the most significant of these risks. For each, you should consider four options:
1. Avoid the risk
Should you avoid the risk altogether by not entering into the activity or providing the service? (e.g. youth group decides not to engage in water sports on its residential)
 2. Control the risk
Can you manage the activity so that the risk will be less likely to occur and less damaging if it does occur? This is the most common approach. Risks can be controlled through application of good practice, clear policies and procedures, staff training, clear record keeping, regular reporting etc.
 3. Finance the risk
Should you simply accept that the risk is likely to occur and provide resources to meet the liabilities when they happen?
 4. Transfer the risk
Can you have a third party perform the risky activity or transfer the consequences of the risk to another person or organisation? This can be through insurance, indemnity, exemption from liability or by contracting another organisation to carry out the activity.
- 6.2 Review the levels of Risk
- 6.2.1 At the end of this process you need to go back and review how these risks should be categorised. Given the measures that you have put in place to eliminate or mitigate (reduce) these risks, do they still constitute major risks?

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7 What next?

- 7.1 Risk assessment is an integral part of how we manage the organisation, its resources and its activities. It is now the Board's responsibility to confirm that they are happy with this assessment of the risks faced by the organisation and are willing to accept the level of risk that remains.
- 7.2 The risk assessment should then feed into our overall and ongoing strategy for managing risk and should become an integral part of how we manage the organisation, its resources and its activities.

Risk Management Template

Step 1: Risk Identification	Step 2: Risk Assessment			Step 3: Risk Management			
List of Possible Risks	Likelihood H/M/L	Impact H/M/L	What are we already doing about it? (mitigating factors)	What more can we do about it?	Timescale	Person Responsible	Reviewed Level of Risk

Date to be reviewed	
Person/Group responsible for review	