

The Wallingford Sports Trust

Policies and procedures

10. Risk Management Policy and Process

Risk Management Policy

Risk Management is the process of identifying, evaluating and controlling risks. The aim is not to eliminate all risk entirely but rather to reduce the risk to a level that the Trust is comfortable with.

The Trust's risk management process follows the following seven steps:

	Step	
1	Identify the risks	Review the risks under the headings:- Governance, external; regulatory, financial and operational. Physical risks to individuals are covered in the Safeguarding Policy.
2	Analyse the risks	Once identified the Trust assesses (1) the likelihood of the risk happening and (2) the impact of the risk if it happens
3	Prioritise the risks	Uses the risk rating score to prioritise what should be focused on.
4	Determine the appetite for risk	How much risk is the Trust willing to accept in pursuing its objectives ?
5	Reduce and control risks	Each risk must be controlled to a level the Trust is happy with.
6	Give assurance	Ensure the controls identified are in place and operating effectively.
7	Monitor and review risks	Record and monitor the risks and plans in the risk register. Review the risk register at least once a year.

Version 1:

03/12/2018

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The process.

This Procedure relates to the identification, evaluation and management of risk to minimise its impact on the business. Areas of risk are identified and given a numerical rating for their importance. This rating is multiplied by a probability of the event occurring to give a ranking of importance to the Trust, and a measure of how management time should be prioritised. Risks related to the safety of individuals are covered in the Health and Safety Policy.

The rating process was first carried out in May 2018 and details are given below. It is recommended that the process is repeated every year.

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<u>SEVERITY - IMPACT ON SERVICE, CASH OR REPUTATION</u>		<u>LIKELIHOOD</u>		<u>GENERIC \ GENERAL ACTIVITY RISK ASSESSMENT</u>							
1 Insignificant 2 Minor 3 Moderate 4 Major 5 Extreme		1 Remote 2 Unlikely 3 Possible 4 Probable 5 Highly Probable		<u>Rating</u> 0 – 6 7 – 15 16 – 25		<u>Risk</u> Low Medium High		<u>Action Level</u> Satisfactory Action Required Immediate Action			
Risk No	Risk Category	Description of the Risk	Consequence	Severity	Likelihood	Risk Rating (S x L)	Control Measures and Monitoring process	Severity	Likelihood	Risk Rating (S x L)	Category High Medium Low
1	Governance	The Trust lacks direction, strategy and forward planning	The Trust drifts with no clear objectives, priorities or plans. Issues are addressed piecemeal with no strategic reference. Needs of beneficiaries are not fully addressed. Loss of reputation.	5	2	10	The Trust has a strategic plan which sets out the key aims, objectives and policies. The Trust has financial plans and budgets. The Trust monitors financial and operational performance compared to budgets.	5	1	5	Low

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		Lack of succession for Trustees & Exec Committee	Trust fails to achieve its purpose. The Trust drifts with no clear objectives, priorities or plans. Changes the culture of the organisation.	5	4	20	Clubs nominate a representative Trustee to ensure continuity. A succession plan for Elected Trustees needs to be developed. Fall back of external recruitment or outsourcing.	5	2	10	Medium
		Trustee body lacks relevant skills or commitment	Trust fails to achieve its purpose. Decisions are made bypassing the trustees. Resentment or apathy amongst Trustees. Poor decision making.	5	3	15	Skills requirements are continually reviewed and the Exec Committee will draw on personal contacts where possible eg the development of the social media plan. Recruitment process for Trustees to be reviewed.	5	2	10	Medium
		Trustee body dominated by one or two individuals	The trustee body cannot operate effectively as a strategic body. Decisions made outside of trustee body. Pursuit of personal agenda.	4	3	12	All trustees are proactively encouraged to take responsibility for areas of work. Meetings have a framework or agenda. Mechanisms are in place to manage conflict of interests.	3	2	6	Low

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		Reporting to Trustees (accuracy, timeliness & relevance)	Inadequate information resulting in poor quality decision making. Failure of trustees to fulfil their control functions. Trustee body becomes remote and ill informed.	5	3	15	The trust has in place proper strategic planning, objective setting and budgets. Project & financial reporting is timely and accurate. Regular meetings are held between trustees and operational staff.	5	1	5	Low
		Conflicts of interest for trustees (trust vs clubs)	Decisions may not be based on relevant considerations.	3	2	6	Guidance provided to trustees. Need to encourage clubs to nominate a trust representative from the club committee.	3	1	3	Low
		Ineffective organisational structure	Lack of information flow and poor decision making procedures. Remoteness from operational activities. Uncertainty as to roles and responsibilities. Decisions made at inappropriate level or excessive bureaucracy.	3	1	3	Organisation charts exist with clear roles and responsibilities. Delegation and monitoring is in place and consistent with good practice.	3	1	3	Low

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		Poor relationship with clubs	Apathy and lack of involvement. In-fighting. Acting independently.	4	2	8	Regular communication is in place. The trust ensures that all clubs have a vested interest in/ benefit from the trust.	4	1	4	Low
2	Financial	Budgetary control and financial information	Budget does not match with key objectives and priorities. Decisions made based on inaccurate financial projections or reporting. Poor cash flow and cash management. Ability to function as a going concern.	5	5	25	Budgets are linked to business plan and objectives. The trustees monitor and report on a timely basis. Adequate skills are in place to produce and interpret reports. Regular meetings to review variances. Financial appraisal of new projects. Budget reporting of project	5	1	5	Low

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		Inadequate cash reserves	Inability to meet commitments. Impact on operational activities. Inadequate sinking fund for AWP replacement.	5	5	25	Detailed cash flow projections are in place for major projects. Regular monitor and reporting - weekly banking reports and reconciliations are circulated.	5	3	15	Medium
		Restricted funds applied outside restriction	Reputational risk. Inability to meet commitments. Repayment of grants. Regulatory action.	3	2	6	Clear funds policy and reporting is in place.	3	2	6	Low
		Dependency on WSSC income	Loss making trading activities. Resources and energy diverted from fund raising activities. Reputational risk.	4	4	16	To secure alternative sources of income and appropriate resource for WSSC. The trust continually monitors WSSC profitability. Budgetary controls and financial reporting are in place. Appraise viability regularly.	4	3	12	Medium

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		Borrowing	Ability to make repayment schedule	4	2	8	Appraise future income streams to service debt.	3	2	6	Low
		Fraud or error	Financial loss. Reputational risk. Loss of staff morale. Regulatory action. Impact on funding.	5	2	10	Financial Control Procedures are in place. Segregate duties. Each bank payment requires two signatories. Authorisation limits. Identify insurable risks.	5	1	5	Low
		Major breakdown or prolonged poor weather conditions.	Unforeseen significant expenditure or loss of income.	4	2	8	Insurance cover. Promotion indoor sports. Regular maintenance & inspection. Building specific cash reserves and adequate working capital.	3	2	6	Low

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3	Operational	Employment issues	Staff retention Employment disputes. Prolonged staff illness/absence. Health and safety issues. Safeguarding.	3	2	6	Short term cover from volunteers Procedures are documented Key Job descriptions are in place. Notice periods are in place and handovers would be agreed. Health & safety training and monitoring. Staff vetting and DBS checks.	3	2	6	Low
		Skills shortage	Unable to maximise revenue opportunities.	3	3	9	Training Outsourcing or recruitment	3	3	9	Medium
		Poor Customer satisfaction	Complaints about the facilities. Loss of future income.	4	3	12	Implement complaints procedure. Training. Quality control procedures.	4	2	8	Medium
		Competition for funding	Reduced fund raising potential	3	3	9	Improve fund raising skills. Explore corporate funding opportunities. Monitor public awareness and profile of the trust.	3	3	9	Medium
		Dependency of key suppliers	Insufficient buying power eg Coors ?	2	2	4	Procedures for obtaining quotes. Service level agreements.	2	1	2	Low

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		Security of assets	Loss or damage. Staff security Theft of assets.	2	3	6	Alarms. Improved protection of high risk assets. Member of Pub watch. Personal alarms. CCTV . Asset register for outside equipment (to be extended to internal). Review insurance cover.	2	3	6	Low
		Health & Safety	Staff injury. Ability to operate. Injury to the public. Dangerous chemicals Access visibility.	2	2	4	Comply with law and regulation. Train staff. Monitoring and reporting procedures. COSHH cupboard to be introduced with kitchen. Boundary maintenance.	2	2	4	Low

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		IT	<p>Computer systems failures or loss of data.</p> <p>Systems failure.</p> <p>Lack of technical support.</p> <p>Breach of data protection law.</p>	3	2	6	<p>Sage back up including offsite.</p> <p>Investigate Cloud storage.</p> <p>Implement measures to secure and protect data.</p> <p>Use of service and support contracts?</p> <p>Disaster Recovery procedures to be tested.</p> <p>Review Insurance cover.</p>	3	2	6	Low
		Disaster Recovery Planning	<p>Computer systems failures or loss of data.</p> <p>Loss of Clubs (eg Squash & Skittles)</p> <p>Destruction of property, equipment, records etc through fire, flood or damage.</p>	3	2	6	<p>Agree IT recovery plan.</p> <p>Implement data back up procedures.</p> <p>Alternative accommodation to be investigated.</p>	3	2	6	Low

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4	External	Relationship with funders	Deterioration in relationship with primary grant funders. Loss of faith if inappropriate requests are made.	3	2	6	Ensure regular contact with major grant providers. Ensure all bids are justified. Report fully on projects. Deliver on projects. Relationship with local councillors. Meet funders' terms and conditions.	3	1	3	Low
		Changes in local government policy	Amalgamation of councils. Change in SODC grant strategy Availability of grant funding	3	2	6		3	2	6	Low
		Adverse publicity	Loss of influence. Impact on use of facilities.	2	2	4	Implement complaints procedure.	2	2	4	Low

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5	Compliance with law and regulation	Poor knowledge of the regulatory requirements of particular activities	<p>Fines.</p> <p>Penalties.</p> <p>Employment law breaches</p> <p>Withdrawal of Charity status.</p> <p>Employee or consumer action for negligence.</p> <p>Hygiene laws</p> <p>Licensing laws compliance.</p> <p>Reputational risks.</p>	3	2	6	<p>The trust is aware of key legal and regulatory requirements.</p> <p>Compliance monitoring and reporting is in place.</p> <p>Right to work checks to be performed for all new staff.</p>	3	1	3	Low
		Taxation	<p>Penalties, interest and other assessments.</p> <p>Failure to utilise tax exemptions and reliefs.</p> <p>Loss of income eg failure to utilise gift aid.</p>	3	1	3	<p>Regularly review PAYE compliance procedures.</p> <p>Regularly review VAT procedures.</p> <p>File timely tax and VAT returns.</p> <p>Take advice when required.</p>	3	1	3	Low

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Risk Assessments Carried out by: Name: Executive Committee Signed:	Date completed: 18th May 2018	Review Date: Before May 2021
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