

# HCC Risk Management Policy



## Introduction - Policy Statement

1. Huntingdonshire Community Church (HCC) recognises that risk management is an important element of good management practice and has an open and receptive approach to identifying, discussing and addressing risks.
2. HCC accepts that risk can never be fully eliminated; therefore, the purpose of this Risk Management Policy is to support the development of a consistent approach to
  - establishing
  - analysing and
  - managing

risk, thus ensuring that all reasonable steps are taken to mitigate risk.

## Scope

3. This policy applies to all within HCC or who come into contact with HCC's activities, including trustees, employees, volunteers, attendees at events and services, and users of and visitors to 83a.

## Risk Management Definition

4. Risk can be defined as the threat, or possibility that an action or event, will adversely or beneficially affect an organisation's ability to achieve its objectives.
5. Risk Management is a process of identifying, measuring or assessing risk, and developing strategies and procedures to manage it, such as:
  - transferring the risk to another party
  - avoiding the risk
  - reducing the negative effect of the risk, and
  - accepting some or all of the consequences of a particular risk
6. Risk management, therefore, provides assurance that:
  - objectives are more likely to be achieved
  - beneficial occurrences will be more likely to be achieved, and
  - damaging effects will not happen or are less likely to happen
7. The leadership team will conduct regular reviews to ensure strategies remain relevant in meeting the day-to-day operational needs of the Church.

## **Importance of Risk Management**

8. Risk management is a key element in supporting the Church in meeting its strategic objectives, and in ensuring the continuation of its services.

9. Each area of the organisation will on occasion encounter risks, and these risks, where possible, need to be:

- identified
- assessed, and
- mitigated

10. Therefore, risk management must be integrated into the culture of HCC, with the assistance of this policy, and must be an ongoing and evolving process throughout the Church's strategy (and implementation of that strategy). It should methodically address all the risks concerning the organisation's activities:

- past
- present, and
- in particular, the future

11. Risk management must convert HCC's strategy into:

- planned and operational objectives
- assigning the operational objectives, and
- assigning responsibility throughout the organisation (with each person responsible for the management of risk informed as part of their job description)

12. The risk management process ensures that the organisation's objectives are clearly defined, resulting in:

- assessment
- reporting
- decision-making
- the action required, and
- monitoring to ensure reoccurrences are prevented.

## **Categories of Risk**

13. Key areas where the Church will encounter risk include:

a. Strategic – concerning the strategic objectives of the organisation, which can be affected by areas such as:

- capital available, and
- changes, eg legal and regulatory, reputation and the physical environment

b. Operational – these concern the day-to-day issues that the Church faces in an effort to achieve its stated objectives.

c. Financial – relating to the effective management and control of the Church's finances, and external influences.

d. Compliance – these concern the effective management and control of:

- health and safety
- environmental
- data protection
- employment practices, and
- regulatory issues.

14. Within each of these key areas there are key elements that need to be addressed:

- Identification - What is the risk?
- Risk Management - How critical is this to Church continuity? Can/should the risk be accepted? How would this risk impact on the Church?
- Mitigation - What procedures are/should be in place to mitigate the risk? How could the Church minimise the impact of the risk?

### **Persons Responsible, Risk Reporting and Communication**

15. It is recognised that there will always be areas of risk which can never be fully eliminated. Trustees, employees, volunteers, attendees at events and services, and users of 83a are all responsible for identifying, assessing and mitigating the risk, where possible. Therefore, risk management will be an integral part of staff and volunteers' induction and supervision programmes, and team meetings, where appropriate.

16. While training in risk management will be available to all staff, it is mandatory for those staff:

- with management roles, or
- with responsibility for strategic and operational planning; or
- designated to attend by their line managers.

17. Staff and Volunteers have a duty of care to ensure that risks are considered, and the appropriate action taken. Staff/Volunteers must understand:

- their accountability for individuals' risks
- how they can enable continuous improvement of the risk management response
- that risk management and risk awareness are a key part of the Church culture
- the importance of reporting systematically and promptly to management, any perceived new risks, or failures of existing control measures

18. If in doubt, Staff/ Volunteers must seek advice from the Senior Leader.

19. The Senior Leader and Team Leaders will be responsible for managing risk in each of their respective areas of responsibility, and must:

- be aware of risks which fall into their area of responsibility, the possible impacts these may have on other areas, and the consequences other areas may have on them
- have performance indicators to monitor the key business and financial activities, progress towards objectives and to identify developments which require intervention
- have systems which highlight variances in budgets and forecasts, at appropriate frequency, to allow action to be taken; and
- report systematically and promptly to higher management, any perceived new risks, or failures of existing control measures.

20. The Senior Leader and the Board of Trustees are responsible for the governance and control of the Church, and their participation in the key aspects of the Risk Management process is essential.

21. The Senior Leader and/or Board of Trustees must:

- identify, evaluate and monitor the most significant risks facing the organisation
- determine the appropriate level of risk exposure
- ensure appropriate levels of risk awareness throughout the organisation
- know how the organisation will manage a crisis
- gain assurance that risks identified are being actively managed, with appropriate controls in place that are working effectively
- know how to manage communications with the media
- be assured that the risk management process is working effectively
- endorse the risk management policy, covering risk management philosophy and responsibilities
- comply with the Charity Commission's Statement of Recommended Practice (SORP)

22. The Senior Leader will also be responsible for the process of selecting and implementing measures to adjust the risk, which can include, for example:

- risk control
- risk mitigation
- risk avoidance
- risk transfer, and
- risk financing, eg insurance

23. The system of risk will provide as a minimum:

- effective and efficient operation of the organisation
- effective internal controls, and
- compliance with laws and regulations

### **Managing, Monitoring and Review**

24. HCC seeks to identify, assess and effectively manage all risks in order to remain proactive in supporting the achievement of the Church's agreed objectives.

25. HCC maintains a risk register which records identified key risks and, for each key risk, will include its associated risk scores (i.e. low, medium, high), controls and actions.

26. The number of key risks to be recorded in the risk register is not rigidly defined. However, it records only those risks that are likely to impede the delivery of strategic objectives and are therefore of significance to the Church.

27. The Senior Leader will review the risk register on a three-monthly basis. This process may involve the introduction of new risks, the amendment of existing risks and the deletion of risks that are no longer deemed applicable.

28. The Risk Probability Record and Risk Incident Report (examples in Attachments 2 and 3) are used to ensure effective risk management through a reporting procedure and review structure, to ensure that risks are effectively identified and assessed, and that appropriate controls and responses are established.

29. The monitoring and review process will determine whether:

- the measures adopted resulted in the intended outcome
- the procedure adopted and information gathered for the assessment were appropriate
- improved knowledge would have assisted in reaching better decisions and identifying what lessons could be learned for future assessments, and risk management

### **Planning, Projects and Investments**

30. Risk management is integrated into HCC’s planning processes, which set out the annual objectives and targets, and allocation of resources necessary for the delivery of the church’s mission. Risks identified during the planning process will be scrutinised by the Senior Leader and the Board of Trustees; reports and/or adjustments to the risk register will also be organised.

31. Major projects or special events will require an individual risk register, which will be monitored by the Senior Leader and the Board of Trustees.

32. Investments require an assessment of the relative risks versus the relative rewards. The Senior Leader and the Board of Trustees may use this simple matrix for assessments:

	<b>Perceived high reward</b>	<b>Perceived low reward</b>
<b>Perceived high risk</b>	Pursue with caution	Avoid
<b>Perceived low risk</b>	Prioritise	Safe

#### Attachments:

1. HCC Strategic Risk Register (separate file)
2. Risk Probability Record
3. Risk Incident Report

## Risk Probability Record (RPR)

Risk ID no: RPR/HCC/.....

Risk identified by:

Date:

Time:

Reported to:

Date:

Time:

Probability of risk (circle one which applies):

Low (remote)

Medium (possible)

High (probable)

Who/What is at risk?
What is the nature of the risk?
What are the risk indicators?
What are the risk treatment/control mechanisms in place?
How will this risk impact on the organisation?
Are there any known previous incidents?
What action do you intend to take to reduce the risk?

# Risk Incident Report (RIR)

Risk ID: RIR/HCC/.....

Date of incident:

Time of incident:

Location:

Assessor:

Corresponding Risk Probability Record no: .....

What is the nature of the risk?
Describe the risk:
What are the risk indicators?
Who are the persons at risk?
Who are the stakeholders?
What risk treatment and control mechanisms are to be put into place?
Should this risk be accepted (please explain)?