

Risk Management: Guidance for Community Groups

This guidance is designed to aid you to identify risks and list the appropriate actions to reduce the impact and/or likelihood of the risks occurring.

Risk can be defined as “an uncertain event that, should it occur, will have an effect on an organisation’s objectives and/or reputation.”

It is the combination of the probability of an event (likelihood) and its effect (impact).

The benefits of identifying and managing risks are numerous:

- Good practice
- Improves performance and quality
- Increases levels of success
- Increases confidence in the decision making process
- Demonstrates openness and accountability; and
- Avoids surprises and minimises loss & waste;

Start by looking at what you are trying to achieve and then identify the risks that will stop you from achieving these.

There are a number of different types of risks that your organisation may face including financial loss, failure of service delivery, physical risks to people, and damage to the organisation’s reputation.

To act as a prompt and to ensure completeness, a Risk Identification Checklist is attached on the next page. This list is not exhaustive but should help you to develop a list of risks and then identify actions to take to reduce these risks.

Risks are usually described by using one of the following statements:

- | | |
|--------------------|---------------------|
| - Failure of | - Ineffective |
| - Lack of | - Inefficient |
| - Loss of | - Poor..... |
| - Damage to | - Insufficient..... |

Use the table attached to record both risks and associated actions.

Check List for Risk Identification

Political	<ul style="list-style-type: none"> • Change in Government policy • Member support / approval • Political personalities • New political arrangements
Economic	<ul style="list-style-type: none"> • Demographics • Economic downturn - prosperity of local businesses / local communities
Regulatory	<ul style="list-style-type: none"> • Legislation and internal policies/regulations including: Health & Safety at Work Act, Data Protection, Freedom of Information, Human Rights, Race Equality and Diversity, Disability Discrimination Act, Employment Law, TUPE, Environmental legislation etc. • Grant funding conditions • Legal challenges, legal powers, judicial reviews or public interest reports
Financial	<ul style="list-style-type: none"> • Budgetary pressures • Loss of/reduction in income/funding, increase in energy costs • Cost of living, interest rates, inflation etc. • Financial management arrangements • Investment decisions, Sustainable economic growth • Affordability models and financial checks • Inadequate insurance cover • System / procedure weaknesses that could lead to fraud
Opportunities/ Outcomes	<ul style="list-style-type: none"> • Add value or improve customer experience/satisfaction • Reduce waste and inefficiency • Raising educational attainment and improving the lives of children, young people and families • Maximising independence for older people with disabilities • Developing sustainable places and communities • Protecting the community and making Warwickshire a safer place to live
Reputation	<ul style="list-style-type: none"> • Negative publicity (local and national), increase in complaints
Management	<ul style="list-style-type: none"> • Loss of key staff, recruitment and retention issues • Training issues • Lack of/or inadequate management support • Poor communication/consultation • Capacity issues - availability, sickness absence etc • Emergency preparedness / Business continuity
Assets	<ul style="list-style-type: none"> • Property - land, buildings and equipment, • Information – security, retention, timeliness, accuracy, intellectual property rights • ICT – integrity, security, availability, e-government • Environmental - landscape, countryside, historic environment, open space
New Partnerships/ Projects/ Contracts	<ul style="list-style-type: none"> • New initiatives, new ways of working, new policies and procedures • New relationships – accountability issues / unclear roles and responsibilities • Monitoring arrangements • Managing change
Customers/ Citizens	<ul style="list-style-type: none"> • Changing needs and expectations of customers - poor communication/consultation • Poor quality / reduced service delivery - impact on vulnerable groups • Crime and disorder, health inequalities, safeguarding issues
Environment	<ul style="list-style-type: none"> • Recycling, green issues, energy efficiency, land use and green belt issues, noise, contamination, pollution, increased waste or emissions, • Impact of planning or transportation policies • Climate change – hotter drier summers, milder wetter winters and more extreme events – heat waves, flooding, storms etc

Table to Record Risks and Associated Actions

Risk Description	Actions To Reduce Risk