



Risk Management Policy

What is Risk?

Risk is a probability or threat of damage, injury, liability or loss or any other negative occurrence that is caused by external or internal vulnerabilities that may be avoided through pre-emptive action.

Risk Management

Every day Disability Sport Glasgow (hereafter referred to as DSG) faces risks that could present threats to its success. Risk is presented as the probability of an event and its consequences. Risk management is the practice of using processes, methods and tools for managing these risks.

Risk management focuses on identifying what could go wrong, evaluating which risks should be dealt with and implementing strategies to deal with those risks. Organisations and clubs that have identified the risks will be better prepared and have a more cost-effective way of dealing with them. This document sets out how to identify the risks that DSG may face. It also looks at how to implement an effective risk management policy and programme which can increase DSG and member clubs' chances of success and reduce the possibility of failure. This Policy aims to help DSG and its Board assess all risks involved in meeting the organisations objectives.

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Risk Register

A risk register is an important process in protecting DSG and its Board as well as complying with the law. It helps focus on the risks that really matter – the ones with the potential to cause real harm. In many instances, straightforward measures can

readily control risks. For most, that means simple, cheap and effective measures to ensure that DSG and member clubs are protected.

Risk Management Process

Organisations can face many risks; therefore risk management should be a central part of their strategic management. Risk management helps you to identify and address the risks you could face and in doing so increase the likelihood of successfully achieving your objectives. A risk management process involves:

- (a) Methodically identifying the risks surrounding activities;
- (b) Assessing the likelihood of an event occurring;
- (c) Identifying events and eliminate the risk of harm;
- (d) Understanding how to respond to these events;
- (e) Putting systems in place to deal with potential risks; and
- (f) Monitoring the effectiveness of your risk management approaches and controls.

As a result, the process of risk management:

- (a) Improves decision-making, planning and prioritisation;
- (b) Helps allocate capital and resources more efficiently;
- (c) Allows DSG to anticipate what may go wrong, minimising the amount of fire-fighting that would be required or, in a worst-case scenario, prevents a disaster or serious financial loss; and
- (d) Significantly improves the probability that DSG will deliver its strategic plan on time and to budget.

Types of Risk

The main categories of risk to consider are:

- (a) Strategic, for example competing with a body targeting a similar market;
- (b) Financial, for example a decrease in membership or the loss of sponsorship
- (c) Operational, for example the loss of key volunteers

These categories are not rigid and some parts of DSG may fall into more than one category. The risks attached to data protection, for example, could be considered when reviewing DSG operations or members' compliance.

Other risks include:

- (a) Political and economic risks including a decline in investment in sport; and
- (b) Reputation and image risks.

Strategic Risks

Strategic risks are those risks associated with operating in a particular industry. They include risks arising from:

- (a) Investment agreements with Scottish Disability Sport and **sportscotland**;
- (b) Changes among membership or in demand for services;
- (c) Changes in disability sport throughout the sport pathway;
- (d) Policies & procedures.

Financial Risks

Financial risks are associated with the financial structure of the organisation, the transactions the company makes and the financial systems already in place. Identifying financial risk involves examining your daily financial operations, especially cash flow.

Operational Risks

Operational risks are associated with DSG's operational and administrative procedures. These include:

- (a) Recruitment of volunteers
- (b) Accounting controls;
- (c) ICT systems;
- (d) Governance
- (f) Board and committee composition;
- (g) Club memberships
- (h) Health & Safety
- (i) Securing funding for the co-ordinators post

There may be other headings we would wish to include such as fundraising and events

DSG will examine these operations in turn, prioritise the risks and make provisions for such a risk happening. For example, if there is a heavy reliance on one volunteer for a key service, consideration should be given to what could happen if that volunteer was no longer available.

Risk Tolerance

ICT risks and data protection are increasingly important to companies. If hackers break into ICT systems, they could steal valuable data and even money from your bank account which at best would be embarrassing and at worst could put you out of business. A secure ICT system employing encryption and following sound financial and data management practices will safeguard commercial and customer information.

Risk Evaluation

Risk evaluation allows DSG to determine the significance of risks to the organisation and decide to accept the specific risk or take action to prevent or minimise it. To evaluate risks, it is worthwhile ranking these risks once you have identified them. This can be done by considering the consequence and probability of each risk. These can then be compared to the business plan - to determine which risks may affect the objectives – and evaluated in the light of legal requirements, costs and member's concerns. In some cases, the cost of mitigating a potential risk may be so high that doing nothing makes more business sense.

Prioritising risks, however you do this, allows you to direct time and money toward the most important risks. You can put systems and controls in place to deal with the consequences of an event. This could involve defining a decision process and procedures that DSG would follow if an event occurred.

Risk Assessment Process

A risk assessment is simply a careful examination of what, in your work, could cause harm to the company, so that you can weigh up whether you have taken enough precautions or should do more to prevent harm.

To carry out a successful risk assessment, follow the five steps listed below:

- (a) Step 1: identify the risk
- (b) Step 2: decide who might be harmed and how
- (c) Step 3: evaluate the risks and decide on precautions
- (d) Step 4: record your findings and implement them
- (e) Step 5: review your risk register and update if necessary

Identify the Risk

First the Board needs to work out how the organisation could be harmed. Remember to think about long-term risk as well as immediate risk.

Having identified the risks, the Board then have to decide what to do about them. You should do everything 'reasonably practicable' to protect the organisation.

Record your findings and implement them. Putting the results of any risk assessment into practice will make a difference when looking after volunteers and the organisation. Review your risk register and update if necessary.

Roles and Responsibilities

DSG Board

- Approving governance policies
- Approving the risk management policy statement
- Approving the risk register and associated actions
- Ensuring strategic risks are identified, assessed, monitored and reported

DSG Chair

- Effectively managing strategic, operational and project risks (accountable to the Board (DSG))
- Annual production of the risk register and associated actions

Coordinator

- Participating in the process
- Carrying out action plans, risk assessments and reporting

Club Membership

- Following our policies, codes, procedures and rules

The DSG Board fully endorses this risk management policy.

Document Control

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