



This policy is a formal acknowledgement that the Board of Sligo CIL is committed to maintaining a strong risk management policy. The aim is to ensure that Sligo CIL makes every effort to manage risk appropriately by maximising potential opportunities whilst minimising the adverse effects of these risks. The Risk Management Policy should be used to support the internal control systems of Sligo CIL enabling the charity to respond to operational, strategic and financial risks regardless of whether they are internally or externally driven.

**Risk Management:**

**Objectives:**

The objective of risk management is to minimize the impact of unplanned incidents on Sligo CIL by identifying and addressing potential risks before significant negative consequences occur.

**Risk management consists of:**

- Identification,
- Analysis,
- Assessment,
- Control,
- Avoidance,
- Minimisation, or
- Elimination of unacceptable risks.

**Scope:**

The policy applies to all the risks which are reported to the board of directors and assessed annually.

**Policy Statement:**

- The Board and management of Sligo CIL believe that sound risk management is integral to both good management and good governance practice.
- Risk management should form an integral part of the charity's decision-making and be incorporated within strategic and operational planning.
- Risk assessment will be conducted on all new activities and projects to ensure they are in line with the charity's objectives and mission.
- Any risks or opportunities arising will be identified, analysed and reported at an appropriate level.
- All staff will be provided with adequate training on risk management and their role and responsibilities in implementing this. Detailed requirements in these areas are set out in the Sligo CIL Employee Handbook.
- Sligo CIL will regularly review and monitor the effectiveness of its risk management framework and update it as considered appropriate.
- Individual error and incident reports will be required from individual staff where a reportable event is identified. Such incidents which are considered to pose a significant threat may be reported either to the staff member's line manager.

**Roles and Responsibilities:**

- Sligo Centre for Independent Living CLG (Sligo CIL) Board of Directors (the Board) are ultimately responsible for the successful operations of Sligo CIL and the risks associated. The role of Sligo CIL in risk management is:
- To ensure that a culture of risk management is embedded throughout the charity
- To set the level of risk appetite and risk tolerance for the organisation as a whole and in specific circumstances
- To communicate the charity's approach to risk and set standards of conduct expected of staff
- To ensure risk management is included in the development of business plans, budgets and when considering strategic decisions
- To approve major decisions affecting Sligo CIL's risk profile or exposure
- To satisfy itself that less fundamental risks are being actively managed and controlled
- To regularly review Sligo CIL's approach to risk management and approve any changes to this
- The responsibility for development and management of the risk assessment plan and strategies rests with the CEO who may delegate this to a named individual on the staff team.
- The CEO is responsible for managing project specific operational risks and for ensuring that risks are reported in a timely fashion through designated lines of reporting.
- The CEO has overall responsibility for ensuring that this policy and procedure is implemented throughout the organisation. In discharging this responsibility the CEO
- will anticipate and consider emerging risks and keep under review the assessed level of likelihood and impact of existing key risks
- ensure that: adequate corrective action is implemented in responding to significant risks, organisation will learn from previous mistakes and crisis management plans are sufficiently robust to cope with high level risk
- a Quality and Safety Committee is established to ensure that the quality of care, safety standards and the management of risk is prioritised and monitored.

### **Good Practice**

Risk management forms part of the charity's system of internal controls and should be read in conjunction with the policies and detailed controls procedures specified in Sligo CIL Financial Procedures Policy. This document sets out in detail operational limits within which individuals may act in particular circumstances in order to minimise the risk of fraud or error. These limits cover, amongst other things - control over bank payments and receipts, authorisation of and processing of expenditure and approval required at particular levels of decision making.

In addition the charity expects to meet minimum standards required by legislation and best practice in other operational areas (see Risk identification section).

### **Risk Categories:**

The risks to Sligo CIL are normally categorised as:

- Governance and Management Risk
- Operational Risk
- Financial Risk
- Compliance Risk
- Environmental Risk

### **The colour codes are:**

- **Red** - major or extreme/catastrophic risks
- **YELLOW** - moderate or major risks

- **GREEN** - minor or insignificant risk

### Risk Level

Description		Impact on service and reputation
<b>Low</b>		<ul style="list-style-type: none"> <li>- no impact on service</li> <li>- no impact on reputation</li> <li>- complaint unlikely</li> <li>- litigation risk remote</li> </ul>
<b>Medium</b>		<ul style="list-style-type: none"> <li>- slight impact on service</li> <li>- some service disruption</li> <li>- slight impact on reputation or potential for adverse publicity - avoidable with careful handling</li> <li>- complaint possible or probable</li> <li>- litigation possible or probable</li> </ul>
<b>High</b>		<ul style="list-style-type: none"> <li>- service disrupted, interrupted for significant time</li> <li>- adverse publicity not avoidable (local media) or major adverse publicity not avoidable (national media)</li> <li>- complaint probable</li> <li>- litigation probable, major litigation expected</li> <li>- resignation of senior management and board</li> <li>- loss of beneficiary confidence</li> </ul>

### Likelihood

Description	Example
Low	<b>Seldom</b>
Medium	<b>Occasionally</b>
High	<b>Frequently</b>

### Risk Prioritisation:

Any risks in the red zone will be the first priority and will be reviewed annually by the Board as they pose the greatest threat to the organisation.

Here are the following risk reviewing schedules:

- **Red** zone - every year
- **YELLOW** zone - every 2 years
- **GREEN** zones - every 3 years.

### Risk Control:

Sligo CIL needs to make sure that appropriate action is taken to manage risks identified. The review should include assessing how effective existing controls are.

The following options will be used to control the risks:

- avoidance
- prevention

- minimisation
- acceptance
- transferral

CIL will need to evaluate each of the major risks identified, by considering action that needs to be taken to manage the risk, either by lessening the likelihood of the event occurring, or lessening its impact if it does.

Once each risk has been evaluated, CIL can draw up a plan to address or mitigate significant or major risks. This action plan and implementation of appropriate systems or procedures allows CIL to make a risk management statement in accordance with the regulatory requirements.

A balance will need to be struck between the cost of further action to manage the risk and the potential impact of the residual risk.

### **Risk Monitoring:**

Sligo CIL Management will ensure that the control/mitigation strategies are implemented and monitored on an ongoing basis. Risk monitoring must also determine whether the risk controls themselves are effective.

A successful risk monitoring process will involve ensuring that:

- New risks are properly recorded and evaluated
- Risk aspects of significant new projects are considered as part of project appraisals
- Any significant failures of control systems are properly reported and actioned
- There is an adequate level of understanding of individual responsibilities for both implementation and monitoring of the control systems
- Any further actions required are identified
- The Board considers and reviews the annual process
- The Board is provided with relevant and timely update information.

### **Risk Register:**

Sligo CIL has a risk register that acts as an overall information source on risk and how it is being managed and controlled:

- The risk register pulls together key aspects of the risk management process,
- It schedules risks and their assessment,
- the controls in place,
- it identifies responsibilities,
- Monitoring procedures and follow up actions required,
- All risks will be listed in risk register, prioritised, controlled and monitored,
- The Sligo CIL Risk Register is a separate document from the Risk Management Policy,
- A copy of the current risk Register is attached with this policy,

Approved by:

Maria Mulligan, CEO, SCIL

Date: April 2021