



Risk Management Strategy

1. Foreword – Ian Gardiner, Executive Manager

1.1 County Durham Sport (CDS) is a partnership which works to increase participation in sport and physical activity within County Durham.

1.2 We recognise that the management of risk is critical to ensuring that we deliver our objectives whilst protecting the interests of our stakeholders. Risk is defined as “uncertainty of outcome” and good risk management will therefore allow the partnership to:

-) have increased confidence in achieving our desired outcomes
-) effectively constrain threats to acceptable levels
-) take informed decisions about exploiting opportunities

1.3 Our approach to risk management is led by the Executive Manager with support from senior colleagues and the CDS Advisory Group, which acts as our Board.

1.4 This strategy sets out our risk management processes, roles and responsibilities and our interdependencies with our stakeholders. It is prefaced by the principles which underpin our approach to risk management.

2. Risk Management: our principles and approach

2.1 Risk management is a central part of the strategic management of CDS.

2.2 The risk management process enables us to methodically address the risks attached to our activities. It is proportionate to the level of risk within the Partnership, comprehensive in its scope, embedded into routine activities and dynamic by being responsive to changing circumstances.

2.3 The principles of risk management and risk management processes are the same for all colleagues whether dealing with strategic, programme or project level risks.

2.4 The strategic risk register is reviewed first by the senior team, then by our Advisory Group.

2.5 Programme and project risk registers are reviewed at regular intervals throughout the lifetime of specific projects.

2.6 We have a standard template which we use to record risks, risk assessments, controls to manage risks and planned actions.

2.7 Our risk registers are confidential to County Durham Sport. They should not be shared outside the partnership.

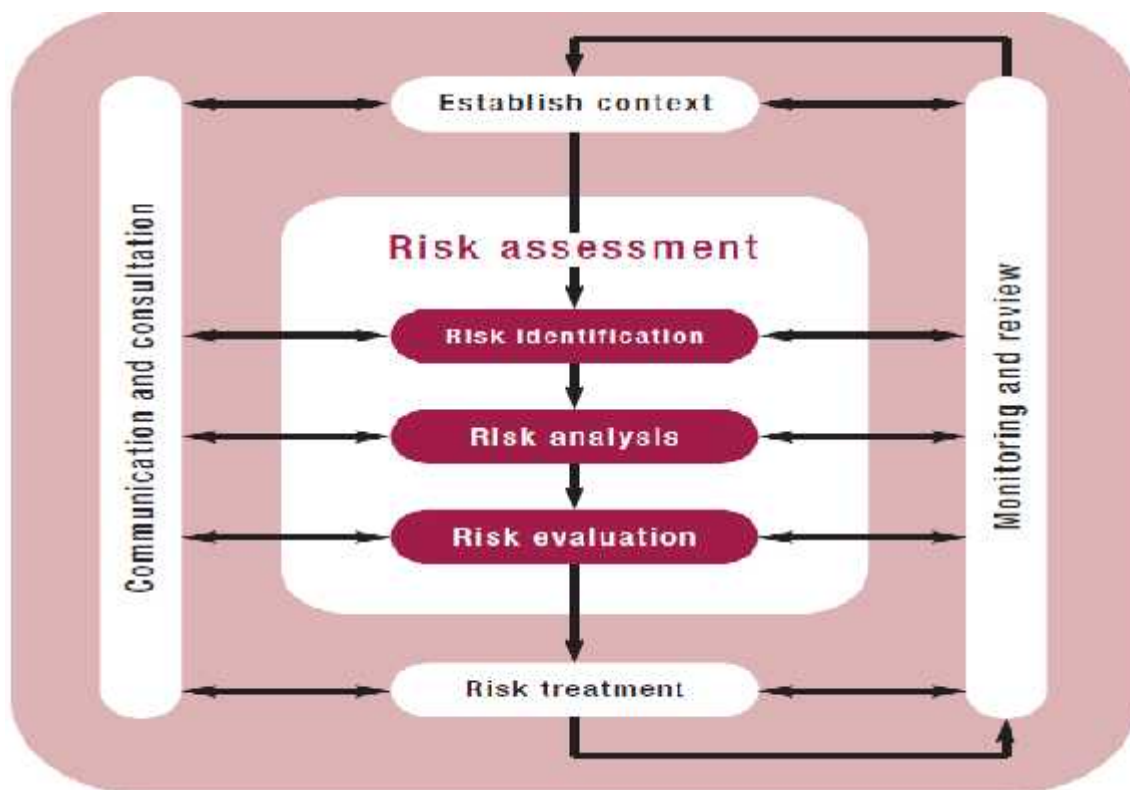
3. Risk management processes

3.1 Our risk management process is a series of co-ordinated activities. Brief descriptions of each component are provided here and in more detail in the sections immediately below;

-) recognition or identification of risks – what risks may impact on the successful delivery of our strategic and operational objectives
-) ranking or evaluation of risks – we assess the impact and likelihood of a risk occurring
-) responding to significant risks – we put relevant and proportional actions (controls) in place to manage the risk
-) monitoring risk – we review whether a risk has changed within a specified period
-) reporting risk – we report risks upwards to managers, programme / project leads, senior team and Advisory Group

3.2 Communication and effective working across the team underpins each of our risk management processes as illustrated in figure 1 below.

Figure 1. Risk Management Process (based on ISO 31000)



Identification of risk

3.3 Risks to the delivery of strategic and operational objectives are identified at all levels including by the senior team, programme and project leads. Risks are identified across the organisation, not just in isolation and are recorded in our risk register (see

Appendix 1 for sample structure). The complete risk register is / can be provided in conjunction with this document.

Analysis and Evaluation of risk

3.4 Risks are analysed and evaluated using the likelihood and impact indicators set out below. More detail on each of the descriptors is provided in Appendix 2. Risks are assessed by colleagues making individual judgments and through discussion at a team level.

3.5 Risk assessments are normally 'scored' using the multiplier Likelihood x Impact, using the descriptions set out below.

Risk Descriptions

Impact	Likelihood
1. No significant impact on service/reputation/financial position/regulations etc	1. Never happens
2. Minor impact	2. Rarely happens
3. Significant but containable	3. Possible
4. Serious damage	4. Very likely to happen
5. Extremely detrimental/catastrophic impact on service/reputation/financial position etc	5. Almost bound to happen

Risk Treatment

3.6 We address risks to turn uncertainty (ie threats or opportunities) to the partnership's benefit, wherever possible. We put actions in place to manage risks based on our assessment of the impact and likelihood of the risk occurring; for example, the level of resource we put into managing any given risk will vary according to its severity.

3.7 The actions we put in place to address or manage risks are known as 'controls'. The purpose of controls is to reduce the likelihood and impact of risk, they are recorded in risk registers. In the majority of cases we will manage or treat risks to an acceptable level. However we may also;

-) Tolerate the risk exposure if the risk is not significant and no additional action is required beyond the controls already in place
-) Terminate the risk. For some specific risks we may decide that the related activity should be stopped as the risks to the partnership of the activity are too high.

Monitoring, reviewing and communicating risks

3.8 The senior team, programme and project leads should regularly monitor risks, assessments and controls. Risk registers are reviewed quarterly; the strategic risk register will also be reviewed on a quarterly basis by the Advisory Group.

- 3.9 Where key risks are identified the senior management team or Advisory Group may determine additional action, for example, establishing a time limited working group to address the risk.

Risk owners

- 3.10 CDS is a partnership organisation which employs a small core team. All risks are assigned owners who are responsible for ensuring adequate controls are in place to manage individual risks, for example, project and programme leads. At a strategic level, all risks are owned by the senior team led by the Executive Manager.

4. Risk Appetite

- 4.1 'Risk appetite' is the level of risk exposure that CDS is prepared to accept, tolerate or be exposed to in relation to a specific risk at a given point in time. The partnership's resources to manage risks, such as time, costs etc are limited and therefore must be prioritised. Resources to manage individual risks will therefore be based on our evaluation of each risk.

- 4.2 The Advisory Group has previously considered its risk appetite. Its expression of risk appetite is set out below.

"County Durham Sport is a recipient and custodian of public funds. It strives to protect those funds and deploy them effectively within a framework of strong governance and internal control. The Advisory Group, management, staff and partners must be aware when risks are taken and management must ensure that adequate controls are in place to manage and mitigate such risks. Open discussion of any actual errors, mistakes or near misses is encouraged so that CDS may reflect upon and share any learning as an essential part of being an open, honest, self-aware organisation, in relation to risk.

CDS's Advisory Group has previously defined its risk appetite as 'medium'.

The Group considers that "the organisation's objectives require it to be innovative and aspirational for sport and physical activity but always within a framework of strong governance and control."

5. Roles and responsibilities

- 5.1 The CDS Advisory Group has responsibility for ensuring that CDS fulfils its aims and objectives.

- 5.2 CDS is hosted by Durham County Council and has a responsibility to ensure that the host is also made aware of any significant risks including the controls introduced to manage risks. The Council's Sport & Leisure Manager is a member of the Advisory Group. The Executive Manager will communicate risks arising from CDS's activity to the Advisory Group and host, raising any concerns or supporting the management of risks.

5.3 The Executive Manager is personally responsible for the management of opportunity and risk to achieve the right balance commensurate with CDS's business and risk appetite. This includes responsibility for ensuring that;

-) a system and process of risk management is maintained to inform decisions taken which contribute to achieving the partnership's aims, objectives and contracts
-) the Advisory Group is involved in the risk management system

5.4 The Executive Manager sets and communicates the risk management strategy, provides leadership and direction and regularly reviews the risk register.

5.5 All CDS officers are responsible for actively considering risk and control as part of their day to day work using the systems and processes identified.

5.6 Those responsible for leading projects, programmes and teams are responsible for ensuring risks are reviewed regularly and that risk management is embedded within business processes.

6. Adoption of the Strategy

6.1 The CDS Advisory Group first adopted this strategy in 2013. It has since been reviewed, alongside revisions to the risk register in December 2013, December 2014 and November 2015. Moving forward – the policy will be reviewed on a six monthly basis by the County Durham Sport Board. The risk register will be considered at every Board meeting as appropriate.

Acknowledgements:

This strategy has been adapted from the Sport England Risk Management Strategy

Appendix 1

Ref	Risk Heading	Key Risk	Type	Impact (1-5)	Likelihood (1-5)	Risk Score (I x L)	Controls	Responsibility	Next scheduled review
<i>Example Risk</i>									
1	Memorandum of Understanding not signed.	Partnership dissolving.	Partnership	3	3	9	Exploration of alternative constitutional vehicles.	Executive Director	March 09 March 2011, under review

Appendix 2

Likelihood category	Description	Scale rating	Impact category	Description	Scale rating
Almost bound to happen	The probability of this risk occurring is almost certain	5	Extremely detrimental / catastrophic impact on service / reputation / financial position etc	Major financial loss. Severe damage to reputation. Critical impact on business objectives, strategic priorities, activities or milestones.	5
Very likely to happen	There is a strong possibility this risk will occur in most circumstances	4	Serious damage	Serious financial loss. Serious damage to reputation. Serious impact on business objectives, strategic priorities, activities or milestones.	4
Possible	The probability of this risk occurring is moderate	3	Significant but containable	Significant financial loss / damage to reputation. Significant impact on business objectives, strategic priorities, activities or milestones.	3
Rarely happens	There is a slight possibility this risk may occur at some time	2	Minor impact	Major financial loss / damage to reputation. Minor impact on business objectives, strategic priorities, activities or milestones.	2
Never happens	The possibility that this risk may occur is rare or exceptional	1	No significant impact on service / reputation / financial position / regulations etc	Little or no financial impact. Little or no effect on reputation. No effect on service provision.	1