SUDLEY AREA RESIDENTS' ASSOCIATION
A charitable incorporated organisation, charity number: 1190529

SARA Hall,
Rundle Road, Aigburth,
Liverpool L17 0AQ

Tel: 0151 726 0805
Email: steven.kearney@sudley.org.uk
Web: www.sudley.org.uk

Risk Management Policy

1. Introduction

We recognise that effective risk management is essential to achieving our charitable objectives and sustaining long-term success. This policy sets out our commitment to identifying, assessing, and managing risks.

2. Purpose

This policy provides a structured framework for the proactive identification, assessment, prioritisation, and management of risks across all aspects of our work. Its purpose is to:

- Protect our charity, its beneficiaries, and stakeholders.

- Embed a consistent, organisation-wide approach to risk management.

- Support informed decision-making at all levels.

3. Scope

This policy applies to all trustees, employees, volunteers, and stakeholders involved in the charity's operations. It covers all areas of activity, including but not limited to:

- Programmes and service delivery

- Financial management

- Reputational risk

- Legal and regulatory compliance

- Governance

Where appropriate, this policy is supported by additional policies (e.g., internal financial controls).

4. Regulatory Guidance

We follow the Charity Commission's guidance (CC26) on managing risk. This guidance encourages all charities to have a formal policy and process in place and to embed risk awareness in day-to-day operations.

5. Risk Management Process

Our approach to risk management follows a cyclical process:

a. Identification

We identify potential risks that could impact the charity's ability to meet its objectives.

b. Assessment

Each identified risk is assessed based on:

- **Likelihood** of occurrence
- **Impact** on the charity if it were to occur

Risks are categorised as:

- Strategic
- Operational
- Financial
- Compliance-related

c. Management

We apply appropriate risk responses, including:

- **Avoidance:** Taking steps to eliminate the risk.
- **Mitigation:** Reducing the likelihood or impact.
- **Buying Out:** Insuring or outsourcing to share the risk.
- **Acceptance:** Acknowledging the risk when it is unavoidable or minimal, balancing it against potential benefits.

d. Review

Risks are reviewed regularly, according to their severity and likelihood, or in response to significant changes or events. Reviews may occur:

- On an ongoing basis
- During key project stages
- At regular Trustees meetings

Urgent risks will be escalated outside of routine review cycles when necessary.

6. Roles and Responsibilities

Board of Trustees

The Board holds overall responsibility for risk management. This includes ensuring:

- Systems of financial and operational control are in place and effective.
- Risks are regularly reviewed and addressed.

Key controls include:

- A strategic plan and reserves policy
- Regular financial reporting and analysis
- Delegated authority and segregation of duties

Staff and Volunteers

All staff and volunteers are responsible for:

- Remaining aware of risks relevant to their roles
- Reporting new or emerging risks to Trustees

7. Reporting and Communication

The Board of Trustees will oversee risk reporting and ensure that key risks and mitigation strategies are shared with relevant internal and external stakeholders as needed.

We will report on our risk management activities in the charity's Annual Report, demonstrating transparency and accountability to:

- Beneficiaries
- Donors and funders
- Staff and volunteers
- The public

8. Review and Continuous Improvement

This policy and our risk management framework will be reviewed annually or following significant incidents or changes in operations.

Lessons learned from risk events will be used to strengthen future risk identification and mitigation practices.

9. Training and Awareness

We are committed to building a risk-aware culture through regular communication and training, ensuring that all individuals understand their role in effective risk management.

This policy was adopted by the Trustees on: **15/08/2025**
This policy was last reviewed on: **15/08/2025**
The next review date is on or before: **15/08/2026**