

# Liphook Village Hall CIO

## **RISK MANAGEMENT POLICY**

The Trustees and Committee Members of Liphook Village Hall CIO Charity are aware that all organisations are vulnerable to risks. Furthermore, small organisations with limited resources are more likely to be severely affected by unplanned-for, damaging events against which they have no prepared protection. On the other hand, the Charity, which operates with just two volunteer trustees and a small committee, cannot afford to be drawn into expending what could be a major part of their resources on the analysis and monitoring of a wide range of possible hazards, the preparation, instigation and review of contingency plans and the writing and consideration of reports on this activity.

The Trustees have decided to deploy resources on the management of risk that are proportionate to the extent of the assets and income of the Charity. They recognise that this limitation of the management and administration input will, itself, constitute a risk.

Risks will be classified simply, according to the estimated likelihood of the damaging event occurring and the estimated adverse impact of the event. Each of these measures will be graded as Low, Medium or High and the risks will be prioritized according to the table below, where 1 is the highest priority and 5 is of no significant priority.

<b>LIKELIHOOD</b>	<b>ADVERSE IMPACT</b>	<b>PRIORITY</b>
LOW	LOW	5
LOW	MEDIUM	4
LOW	HIGH	2
MEDIUM	LOW	4
MEDIUM	MEDIUM	3
MEDIUM	HIGH	2
HIGH	LOW	3
HIGH	MEDIUM	2
HIGH	HIGH	1

The Trustees will generally aim to control or prevent a risky event having priority 1 to 3 from happening, but, if this is not possible, they will aim to mitigate the risk so that the extent of the adverse impact is reduced.

Where this is a practical solution and is not in contravention of legal or regulatory constraints, the Trustees will make prudent use of insurance as a cost effective means of mitigating risk.