

Risk Management Policy

This policy:

* is a formal acknowledgement that the trustee board is committed to maintaining a strong risk management framework. The aim is to ensure that the charity makes every effort to manage risk appropriately by maximising potential opportunities whilst minimising the adverse affects of risks; and
* should be used to support the internal control systems of the charity, enabling the charity to respond to operational, strategic and financial risks regardless of whether they are internally or externally driven.

Risk policy objective:

* to confirm and communicate the charity’s commitment to risk management;
* to establish a consistent framework and protocol for determining appetite for and tolerance of risk and for managing risk; and
* to assign accountability to management and staff for risks within their control and provide a structured process for risk to be considered, reported and acted upon throughout the organisation.

Risk policy statement.

The trustees of the charity 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.

A risk register covering key strategic risks will be maintained.

All staff will be provided with adequate training on risk management and their role and responsibilities in implementing this.

The charity will review and monitor the effectiveness of its risk management framework and update it as considered appropriate.

Regular reports will be made to the trustee board of continuing and emerging high concern risks and those where priority action is needed to effect better control.

The role of the trustees:

* 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 the charity’s risk profile or exposure;
* to satisfy itself that less fundamental risks are being actively managed and controlled;
* to regularly review the charity’s approach to risk management and approve any changes to this;
* to ensure that risk management policy is implemented throughout the organisation;
* to anticipate and consider emerging risks and to keep under review the assessed level of likelihood and impact of existing key risks;
* to provide regular and timely information on the status of risks and their mitigation;
* to implement adequate corrective action in responding to significant risks; and
* to learn from previous mistakes and to ensure that crisis management plans are sufficiently robust to cope with high level risk.

The role of identified staff

Relevant staff are responsible for managing project specific operational risks and for ensuring that risks are reported upon in a timely fashion through designated lines of reporting.

Interaction with internal control systems

Risk management forms part of the charity’s system of internal controls and should be read in conjunction with other policies and procedures. In addition, the charity expects to meet minimum standards required by legislation and best practice in all operational areas. The risk of falling short of these standards is mitigated as far as possible by ensuring that appropriate policies and working practices are adopted and that staff are adequately experienced and trained. Where necessary, external advice is sought to supplement internal expertise.

**Identified and Assessed Risks**

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk Area** | **Identified Risk** | **Likelihood vs Impact (1-3)** | **Action** |
| **Governance Risk** |  |  |  |
|  | Inappropriate Organisational Structure | 1/3 | Trustees to regularly review legal requirements and maintain good contact with external advisers. |
|  | Trustee body lacks relevant skills or commitment | 1/3 | Trustees to regularly review the composition of the Trustee Board and to attend quarterly meetings together with relevant staff. |
|  |  |  |  |
| **Operational Risk** |  |  |  |
|  | Poor mentee/volunteer welfare or safety | 1/3 | Trustees to ensure compliance with “Managing Volunteers” policy.  Liz Dawes to escalate any concerns about mentee/volunteer welfare to the Trustees as a matter of urgency. |
|  |  |  |  |
| **External Risk** |  |  |  |
|  | Poor public perception and reputation | 1/3 | Trustees to discuss all new projects, talks, and contributions to public events before committing to them to ensure that all work complies with the aims and standards of the charity.  Bi-monthly meetings to include a review of all work being undertaken. |
|  |  |  |  |
| **Financial Risk** |  |  |  |
|  | Theft of charity funds | 1/3 | Two Trustee signatures required for removal of money from Charity accounts.  QUARTERLY meeting to include review of all monies received and spent. |
|  |  |  |  |

**Risk Register**

|  |  |  |
| --- | --- | --- |
| **Identified Risk** | **Person responsible** | **Action Taken** |
|  |  |  |
|  |  |  |
|  |  |  |

To date, no risks have been identified that need to be managed or entered on the register.