



## Risk Policy

<b>Lead/Owner</b>	CEO
<b>Date of Approval</b>	09/05/2024
<b>Author/Reviewer</b>	CEO/Board of Trustees
<b>Next Review Date</b>	09/05/2025
<b>Related Policies</b>	
<b>Level of Approval</b>	Board of Trustees

### **Purpose**

The purpose of this policy is to provide guidance regarding the management of risk, for Compassionate Inverclyde to support its charitable aims and purposes, safeguard the charities assets, ensure financial stability and protect the staff and volunteers of Compassionate Inverclyde.

The policy reflects the Trustee Duties contained in Section 66 of The [Charities and Trustee Investment \(Scotland\) Act 2005](#) (the 2005 Act).

All trustees of Compassionate Inverclyde have a duty to act with care and diligence in the best interests of Compassionate Inverclyde. Trustees will act with a higher level of care than they may do with their own finances and affairs and this will be reflected in the duty of care they exhibit with respect to the assets of Compassionate Inverclyde.

### **Scope**

This policy applies to all Compassionate Inverclyde activities and forms part of the Compassionate Inverclyde risk management framework, it applies to all trustees, employees and volunteers of Compassionate Inverclyde.

### **Risk management Framework**

The following are responsible for aspects of the risk management framework:

The Board is responsible for the risk policy, for receiving risk reports, reviewing the reports, approving actions and managing the appropriate subcommittee which has responsibility for Risk Management.

The Chief Executive is responsible for ensuring that risk management is incorporated in the day to day activities of Compassionate Inverclyde. The Chief Executive will ensure that all employees and volunteers are continuously improving the risk management policy. Line managers ensure that their staff adhere to the risk management policy and there is a process by which risks identified by staff and volunteers are fed into the risk policy and appropriate revisions, if necessary are made.

### **Risk Management Process**

Compassionate Inverclyde operates a formal risk management process to assess business risks and implement risk management strategies. Steps taken are to identify the types of risks faced, establish the context, analyse and evaluate the risk prioritising them in terms of potential impact and likelihood of occurrence, identifying means of mitigating the risk and monitor and review the risk.

Compassionate Inverclyde has integrated risk management into all governance, financial and operational processes.

The following risk categories are included in the risk register and in risk reporting:

- financial
- governance
- external
- compliance and regulations
- operational
- reputating

Risks identified will be added to the register immediately. The register will be reviewed at each Board meeting and risks that are no longer considered relevant will be removed from the register.

The risk reports for each area of responsibility will be prepared by the Line Manager. These will include details of the risk treatment plans. They will be reviewed by the Chief Executive and will be reviewed by the Board at each full meeting. Where a risk is identified that is deemed to be of a critical nature a special meeting of the Board will be convened.

This policy will be reviewed by the Board annually.

**Example of a Risk Register Entry**

Risk area/risk identified	<b>Unsatisfactory fundraising</b>
Likelihood of occurrence (score)	Probable (4)
Severity of impact (score)	Major (4)
Overall or 'gross' risk	High
Control procedure	Budget reporting by fundraising activity Financial appraisal of new project
Retained or 'net' risk	Medium
Monitoring process	Financial reporting by fundraising activity Quarterly reporting by fundraising manager to trustees

Responsibility	Fundraising Manager / Chief Executive Officer
Further action required	New initiatives to be approved by trustees unless included in current business plan
Date of review	On 09/05/2024 or next trustee meeting

### References

OSCR Trustee Duties - <https://www.oscr.org.uk/managing-a-charity/trustee-duties/>

Institute of Risk Management -

<https://www.theirm.org/what-we-say/thought-leadership/charities-and-voluntary-organisations/>

Charities Commission CC26 -

<https://www.gov.uk/government/publications/charities-and-risk-management-cc26>

Applies to England and Wales but many of the principles are common throughout the UK

### Document version control

Version number	Change or update	Author or owner	Date
1.0	First version	Alison Bunce	09/05/2024