

Waterlooville u3a Risk Management Policy

Purpose

The purpose of this policy document is to provide guidance covering the management of risk to support the achievement of the Charity's objectives, the protection of its support staff and members, its assets and to maintain its reputation and viability. In this document the term 'Charity' refers to Waterloooville u3a.

This document forms part of Charity's governance framework and applies to all members, associates and contractors. Risk policy will be reviewed annually; Risk register every six months.

Risk Governance

The Charity's risk governance management structure and responsibilities are as follows :

Responsible Body	Responsibilities
Trustees	Provide policy, oversight and review of risk management. Review Risk Register.
Committee Working Group (to be appointed)	Oversees regular review of risk management activities/undertakings.
Charity Chairman	Drive culture of risk management and its validity.
Risk Manager/Chairman	Oversee improvements, strategy and support framework. Maintain Risk Register.
Trustees, Group Co-ordinators, and Members	Comply with all risk management policies and procedures.

Risk Reporting and Risk Register

Risk Reporting will help to maintain awareness of key risk areas and ensure that accountability is maintained. The Risk Register will be kept by the Risk Manager and will contain details of any area of risk that has required attention and action taken to mitigate. It is to be reviewed by the Chairman/Trustees at six monthly intervals.

Risk Categories

This document embraces risk categories involving Trustees, Operational, Financial and Environmental/External matters.

Risk Management Process

The following tables outline potential risks, their impact and steps to be taken to mitigate the risks. It is important that the steps to be taken against each potential risk area are 'followed to the letter'.

Trustee Risk

Potential risk	Potential impact	Steps to mitigate risk
The charity lacks direction, strategy and forward planning	<ul style="list-style-type: none"> • the charity drifts with no clear objectives, priorities or plans • needs of beneficiaries not fully addressed • financial management difficulties • loss of reputation 	<ul style="list-style-type: none"> • create a strategic plan which sets out the key aims, objectives and policies • create financial plans and budgets • monitor financial and operational performance • get feedback from beneficiaries
Trustee body lacks relevant skills or commitment	<ul style="list-style-type: none"> • charity becomes moribund or fails to achieve its purpose • decisions are made bypassing the trustees • resentment or apathy amongst volunteers and members • poor decision making reflected in poor value for money on service delivery 	<ul style="list-style-type: none"> • review and agree skills required • draw up competence framework and role descriptions • implement trustee training and induction • review and agree recruitment processes
Trustee body dominated by one or two individuals, or by connected individuals	<ul style="list-style-type: none"> • trustee body cannot operate effectively as strategic body • decisions made outside of trustee body • conflicts of interest • pursuit of personal agenda • culture of secrecy or deference • arbitrary over-riding of control mechanisms 	<ul style="list-style-type: none"> • consider the structure of the trustee body and its independence • agree mechanisms to manage potential conflicts of interest • review and agree recruitment and appointment processes in line with governing document • agree procedural framework for meetings and recording decisions
Ineffective organisational structure	<ul style="list-style-type: none"> • lack of information flow and poor decision making procedures • remoteness from operational activities • uncertainty as to roles and duties • decisions made at 	<ul style="list-style-type: none"> • use organisation chart to create a clear understanding of roles and duties • delegation and monitoring should be consistent with good practice and constitutional or legal requirements

Potential risk	Potential impact	Steps to mitigate risk
	inappropriate level or excessive bureaucracy	<ul style="list-style-type: none"> • review structure and the need for constitutional change

Operational Risks

Potential risk	Potential impact	Steps to mitigate risk
Service provision - customer satisfaction	<ul style="list-style-type: none"> • beneficiary complaints • loss of fee income • reputational risks 	<ul style="list-style-type: none"> • agree quality control procedures • implement complaints procedures • benchmark services and implement complaints review procedures
Project or service development	<ul style="list-style-type: none"> • compatibility with objects, plans and priorities • funding and financial viability • project viability • skills availability 	<ul style="list-style-type: none"> • appraise project, budgeting and costing procedures • review authorisation procedures • review monitoring and reporting procedures
Fund-raising	<ul style="list-style-type: none"> • compliance with law and regulation 	<ul style="list-style-type: none"> • implement budgeting and authorisation procedures • review regulatory compliance
Volunteers	<ul style="list-style-type: none"> • lack of competences, training and support • poor service for beneficiaries • inadequate vetting and reference procedures • recruitment and dependency 	<ul style="list-style-type: none"> • review and agree role, competencies • review and agree vetting procedures • review and agree training and supervision procedures • agree development and motivation initiatives
Health, safety, the public and environment	<ul style="list-style-type: none"> • staff injury • ability to operate (see Compliance Risks) • injury to beneficiaries and the public 	<ul style="list-style-type: none"> • comply with law and regulation • put in place monitoring and reporting procedures
Procedural and systems documentation	<ul style="list-style-type: none"> • lack of awareness of procedures and policies • actions taken without 	<ul style="list-style-type: none"> • properly document policies and procedures • audit and review of systems

Potential risk	Potential impact	Steps to mitigate risk
	proper authority	
Information technology	<ul style="list-style-type: none"> • systems fail to meet operational need • failure to innovate or update systems • loss/corruption of data e.g. donor base • lack of technical support • breach of data protection law 	<ul style="list-style-type: none"> • appraise system needs and options • appraise security and authorisation procedures • implement measures to secure and protect data • agree implementation and development procedures

Financial Risks

Potential risk	Potential impact	Steps to mitigate risk
Budgetary control and financial reporting	<ul style="list-style-type: none"> • budget does not match key objectives and priorities • decisions made on inaccurate financial projections or reporting • decisions made based on unreliable costing data or income projections • inability to meet commitments or key objectives • poor credit control • poor cash flow and treasury management • ability to function as going concern 	<ul style="list-style-type: none"> • link budgets to business planning and objectives • monitor and report in a timely and accurate way • use proper costing procedures for product or service delivery • ensure adequate skills base to produce and interpret budgetary and financial reports • agree procedures to review and action budget/cash flow variances and monitor and control costs • regularly review reserves and investments
Reserves policies	<ul style="list-style-type: none"> • lack of funds or liquidity to respond to new needs or requirements • inability to meet commitments or planned objectives • reputational risks if policy cannot be justified 	<ul style="list-style-type: none"> • link reserves policy to business plans, activities and identified financial and operating risk • regularly review reserves policy and reserve levels
Cash flow sensitivities	<ul style="list-style-type: none"> • inability to meet commitments 	<ul style="list-style-type: none"> • ensure adequate cash flow projections (prudence of

Potential risk	Potential impact	Steps to mitigate risk
	<ul style="list-style-type: none"> • lack of liquidity to cover variance in costs • impact on operational activities 	<ul style="list-style-type: none"> assumptions) • identify major sensitivities • ensure adequate information flow from operational managers • monitor arrangements and reporting
Dependency on income sources	<ul style="list-style-type: none"> • cash flow and budget impact of loss of income source 	<ul style="list-style-type: none"> • identify major dependencies • implement adequate reserves policy • consider diversification plans
Pricing policy	<ul style="list-style-type: none"> • reliance on subsidy funding • unplanned loss from pricing errors • cash flow impact on other activities • affordability of services to beneficiary class 	<ul style="list-style-type: none"> • ensure accurate costing of services and contracts • compare with other service providers • develop pricing policy for activities including terms of settlement and discounts
Fraud or error	<ul style="list-style-type: none"> • financial loss • reputational risk • loss of Trustee morale • regulatory action • impact on funding 	<ul style="list-style-type: none"> • review financial control procedures • segregate duties • set authorisation limits • review security of assets • identify insurable risks

Environmental or External Factors

Potential risk	Potential impact	Steps to mitigate risk
Public perception	<ul style="list-style-type: none"> • impact on voluntary income • impact on use of services by beneficiaries • ability to access grants or funding 	<ul style="list-style-type: none"> • communicate with supporters and beneficiaries • ensure good quality reporting of the charity's activities and financial situation • implement public relations training/procedures
Adverse publicity	<ul style="list-style-type: none"> • loss of member confidence or funding 	<ul style="list-style-type: none"> • implement complaints procedures (both internal and

Potential risk	Potential impact	Steps to mitigate risk
	<ul style="list-style-type: none"> • loss of influence • impact on morale of Trustees • loss of beneficiary confidence 	external) <ul style="list-style-type: none"> • agree proper review procedures for complaints • agree a crisis management strategy for handling - including consistency of key messages and a nominated spokesperson
Government policy	<ul style="list-style-type: none"> • availability grant funding • impact of tax regime on voluntary giving • impact of general legislation or regulation on activities undertaken • role of voluntary sector 	<ul style="list-style-type: none"> • monitor proposed legal and regulatory changes • consider membership of appropriate umbrella bodies

Compliance Risks (law and regulation)

Potential risk	Potential impact	Steps to mitigate risk
Compliance with legislation and regulations appropriate to the activities, size and structure of the charity	<ul style="list-style-type: none"> • reputational risks 	<ul style="list-style-type: none"> • identify key legal and regulatory requirements • allocate responsibility for key compliance procedures • put in place compliance monitoring and reporting
Regulatory reporting requirements: Financial and other reporting requirements will be dependent on how the charity is constituted and may also vary according to funding arrangements	<ul style="list-style-type: none"> • regulatory action • reputational risks • impact on funding 	<ul style="list-style-type: none"> • review and agree compliance procedures and allocation of volunteer responsibilities

Document History		
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