

Internal Risk Management Policy

February 2023



Overview

1. Maintaining and regularly reviewing the risk register is a recognised best practice of organisations big and small. FLAG will incorporate this key function into the Trustees regular business.
2. FLAG will have a risk register and this paper lays out the process by which the Charity will manage risk and the risk register.

Process

3. The risk register will be reviewed at least annually by the Trustees. It will be the responsibility of the secretary to present the paper detailing the risks and progress made towards mitigating them.
4. At least annually the Trustees will consider all areas where risk can arise and update the register. Risks can be added at any time by contacting the Secretary.
5. Each risk will have the following attributes
 - a. Reference number.
 - b. Type of Risk (Financial, regulatory, safety, reputation).
 - c. Description of the risk.
 - d. Impact of the risk happening.
 - e. Approach taken to risk. Some risks are small and can be tolerated, others are so large they have to be treated and mitigated to a degree – further definitions below.
 - f. Responsibility. Who is responsible for determining and approach to the risk, identifying mitigating actions and managing and reporting progress on actions taken.
 - g. Pre mitigation likelihood score of the risk post mitigation on a scale of 1-4. Definitions are below.
 - h. Mitigation. This is the steps already in place to mitigate the risk occurring and the impact of the risk.
 - i. Post mitigation likelihood score of the risk post mitigation on a scale of 1-4. Definitions are below.
 - j. Impact score post mitigation if the risk occurs measured across financial, reputational and regulatory outcomes.
 - k. Risk score post mitigation = Likelihood * Impact. This leads to colour coding the risk as red, amber, green – see below.
 - l. Further actions to be taken. These are the steps that FLAG will take to mitigate the risk. Ideally there should be a SMART action plan for each step. Progress should be reported to the secretary at least two weeks before the relevant Trustee meeting so papers can be pulled together.
6. There are more complicated risk processes that involve measuring the impact and likelihood of the risk pre- mitigations - but this is thought to be too complex and so has not been adopted.
7. The person responsible for the risk should give an update on the status of the risk at the relevant meeting.

Key risks

8. **Not meeting regulatory requirements.** The Charity Commission regularly updates requirements for Charities. The Secretary receives updates of the changes and actions the ones appropriate for Lowdham Flag.
 - a. The Treasurer reports the accounts at each meeting
 - b. The annual accounts are externally reviewed

- c. The Treasurer completes the annual return in a timely manner. The resignation of Karen Budin has been recorded with the Charity Commission.
- d. The Register of Interests is up to date.
- e. Should financial fraud occur, Trustee insurance may be taken out to provide compensation for any loss. However as funds are under £1500, and there is no credit facility, the impact would be small.
- f. Trustees have been made aware on many occasions of their responsibilities (CC3 - The essential trustee: what you need to know, what you need to do), governing documents (Charity governing document dated 2021) and thus their duties to carry out the purpose of the charity. We will look through this at our next meeting.
- g. The Trustees will approve 15 policies including an Anti Bribery and an Anti-Fraud policy in 2023 and these will be reviewed every 3 years.
- h. Trustee actions are limited to providing information and complying with Charity Commission guidelines
- i. Data is managed in line with GDPR rules (confidential info is not emailed between Trustee or third parties but stored on Google Drive).

9. Trustees / Volunteers harmed whilst helping.

- j. Flood related training is undertaken via Communities Prepared
- k. Specific training is given for Road Closures and Pump usage.
- l. Trustees / Volunteers do not help while a flood event is in progress. The Paired volunteers and watercourse walkers help prior to and after an event. The photo recorders only take photos where and when it is safe to do so.
- m. Posters have been prepared instructing people 'Not to Walk in Flood Water'

10. Trustees / Volunteers do harm whilst helping.

- a. The main risk is damaging residents' property (e.g. knocking over ornaments , dropping TVs etc) while helping move their belongings (e.g. by moving stuff upstairs in a house). These risks are explained to the resident and the volunteers are asked to be as careful as possible.
- b. Incorrectly fitting flood defences – but these are done at the instruction of the homeowner.
- c. Vulnerable service users may need extra help so they will be supported by two paired volunteers. Any specific needs would be served by the resident's usual care providers. Support is only provided before and after a flooding event.
- d. Pumps are set up to pump water to a place that causes further damage
- e. General comments given (e.g. they think the rain is stopping, it is safe to go outside) are taken as specific advice. Even though the volunteer will carefully phrase what they are saying, in the heat of the moment it is easy to mis-speak or be mis-heard.

11. Financial Security / Donations decline.

- a. At present Flag has funds in its bank account and is in the middle of a fund raising programme with the Co-op.
- b. Needs for 2023 have been identified and these are mainly equipment and office based stationary. There are sufficient funds to cover the currently identified needs.

12. Other risks need to be added as appropriate. Possible risks for discussion are

- a. What remaining risks exist that can be meaningfully insured?

Definitions

Approach to Risk

Terminate – remove the source of the risk

Tolerate – take actions where possible but accept there is a residual risk

Transfer – move risk to third party eg insurance

Treat – take action to mitigate

Classification of Impact of risk

Impact	Financial	Reputational	Regulatory
1=Low	Below £100 pa	Minimal external impact	Recoverable failure to meet deadlines
2=Below average	Below £250 pa	Makes local press	Reportable minor infringements
3=above average	Below £500 pa	Makes local press	Reportable major infringements
4=High	Above £500 pa	Makes regional or national press	Failure to meet regulatory code

Grades of Likelihood of risk

Likelihood
1 - Minimal (Under 25%)
2 - Low (25 to 50%)
3 - High (50 to 75%)
4 - Highly Probable (75 to 100%)

Date	Changes made	Review date