



Charitable Incorporated Organisation - Registered Charity Number: 1157787

Principal Office: 10 Fairfield Road • Market Harborough • LE16 9QQ • T: 01858 419128
Email: admin@mhbcharity.co.uk • www.mhbcharity.co.uk

RISK MANAGEMENT POLICY

1. Background

The board of Trustees of Market Harborough & The Bowdens Charity (the “Charity”) is responsible for overseeing risk management across the Charity. All staff are responsible for encouraging good risk management practice within their areas of responsibility. Key risk indicators will be identified, monitored and reviewed on a regular basis.

2. The role of the Trustees of the Charity

The Trustees of the Charity, as charity trustees, have ultimate responsibility for its proper management. Their role includes strategic oversight of the Charity and ensuring appropriate governance arrangements are in place and implemented effectively. It also requires the formulation of appropriate policies to deal with issues, like risk, that the Trustees must consider in the performance of their duties.

The proper management of risk must (as a matter of law) ultimately fall to the Trustees and may not be delegated. However, the Trustees may delegate the day-to-day operation of this Policy to such members of staff as they see fit, provided that such operation is reported regularly and effectively to the Trustees.

3. The Charity’s approach to risk management

The Trustees have adopted the following definition of risk for the purposes of this Policy: *“the uncertainty of outcome, within a range of exposure, arising from a combination of the impact and probability of potential events”*.

The essence of risk is uncertainty of outcome (which may be positive or negative). The term *exposure* refers to the combination of the *likelihood* of these potential events and the magnitude of their *impact*:

- 3.1. *Likelihood*: the evaluated probability of a particular outcome actually occurring (including a consideration of the frequency with which the outcome may arise);
- 3.2. *Impact*: the evaluated effect or result of a particular outcome actually occurring.

The task of *risk management* is the *limitation of exposure to negative risks* to an acceptable level, by *considering likelihood and impact in combination*. It therefore requires identification and consideration of all relevant factors, and where appropriate controlling such factors.

4. The Risk Matrix

The Trustees and staff will consider and assess risk by means of a risk matrix which is updated on a regular basis by the Board of Trustees.

5. Risk Assessment

The Trustees shall consider risk, where appropriate with the assistance of staff members, by reference to an objective framework (“Risk Assessment Framework”).

6. Risk mitigation

The Trustees shall consider how best to mitigate significant risks and agree appropriate actions to mitigate such risk by means of a risk action plan.

7. Risk Register

The risks identified and associated comments and actions will be captured on the Charity’s Risk Register, the master copy of which will be held by the Charity Secretary and made available on Dropbox.

Resources available to the Charity may be limited and it is the Charity’s aim in mitigating risk to achieve a proportionate response, prioritised in accordance with an objective assessment of each risk (in accordance with the Risk Assessment Framework).

8. On-going responsibility

The Trustees and the Charity Secretary shall continuously monitor and assess risk by means of the Risk Matrix and Risk Assessment Framework and make appropriate Action Plans as necessary.

A review of the Risk Register and risk management shall be a regular agenda item at meetings of the Trustees.

9. Risk Management as part of the Internal Control System

The Charity's internal controls are an essential part of effective risk management. Key responsibilities of Trustees and the staff that underpin these controls include:

- 9.1. the duty of Trustees to identify and assess risk and to take appropriate action in accordance with this Policy;
- 9.2. continuous monitoring of significant risks;
- 9.3. the business planning and budgetary process is used to set objectives, agree action plans and allocate resources and throughout those processes due regard is had to Risk Matrices and implementation of Action Plans;
- 9.4. progress towards meeting objectives is monitored regularly;
- 9.5. significant strategic risks and how they are managed is monitored and agreed by the Trustees on at least an annual basis;
- 9.6. regular review of the overall picture ensures that emerging risks can be identified and assessed through the Risk Matrix and Assessment Framework as soon as they are identified; and
- 9.7. all persons with management responsibilities are required to identify, monitor and review risk in their own areas.

10. Monitoring, Evaluation and Review

The Trustees will review this policy periodically and assess its implementation and effectiveness.

11. Accountability

The Charity Secretary should inform the Trustees of all matters relating to serious breaches of this policy including any major incident to be addressed under this policy promptly, preferably prior to action being taken insofar as is reasonably practicable.

12. Policy Status

This policy does not form part of any employee's contract of employment.