

RISK ASSESSMENT POLICY

Definition

Risk is the possibility that expectations from a course of actions will not be met and/or will have undesired consequences.

When considering a new or proposed activity, it is important to identify all of the potential risks associated with that activity, prior to the commencement of the project.

A decision can then be made as to whether the risks are too great for the proposal to go ahead, whether the benefits of the proposal outweigh the risks or whether appropriate action can be taken to reduce the risks sufficiently for the proposal to be acceptable.

As a general rule, risk assessment should be carried out before undertaking the activity. However, managers must remain alert to the possibility of additional risks coming to light whilst an activity is in progress and should carry out an appropriate assessment at that stage.

Policy

This document describes the Age Concern Petersfield and District Risk Assessment Policy and the responsibilities of the Office Manager and Trustees in assessing the risks that may be present in any new service development or trading activity. The Policy is applicable to all significant new initiatives.

Risk assessments are intended to improve the performance of activities by minimising the risks of costly errors and omissions. It is not intended to become an excessively bureaucratic process that interferes with day-to-day responsibilities or stifles constructive initiative.

The prime responsibility for ensuring that all applicable risks are assessed and then managed under the terms of this policy lies with the Board of Trustees.

Risk assessment for an activity involves:

- identification of the potential risks
- estimation of the probable loss/impact

Once identified, risks can be managed, using one or more of the following basic techniques

:-

- avoidance (amending or cancelling the proposed action)
- reduction (improving control or modifying the action)
- transfer (to another area or organisation e.g. insurance)
- acceptance (deciding that the benefits outweigh the risks)

Key risk areas for the Charity are:

- Trusteeship - failure to operate in accordance with Age Concern Petersfield and District objectives, the law, or public expectations
- Relationships - conflict with donors, suppliers, staff, the media customers/clients/members and public, other charities, etc
- Impact/outcome - failure to achieve objectives as a result of poor direction, strategic or financial planning, management style, loss of independence or control
- Financial - arising from contractual arrangements, investment decisions, fraud, income forecasting
- 'Pure' risks - technology failure, act of nature, staff stress/injury

Risks incurred in carrying out a project or trading activity may fall under one or more of the headings above, with consequences which may be :-

- Financial
- Legal
- Public Relations
- Administration
- Staffing
- Assets
- Technology
- Insurance
- Health & Safety
- Effect on other parts of the organisation

Except where otherwise specified in this document, it will remain management's responsibility to ensure that risks in their activities are assessed, using individual judgement to call on the special expertise of other functions (for example Finance and Legal) where this is considered appropriate.

Risks To Be Assessed

This section gives a brief indication of the types of risk likely to be encountered. It cannot be exhaustive and discretion should be used to ensure consideration of any other situations that may arise. Although listed here under particular headings, it is important to recognise that any one activity can impact across several headings.

Financial Risks

The major potential financial risks include:

- Increased costs/staff time
- Loss of investment (whether financial, property, equipment, etc)
- Returns below expectations (value or timescale)
- VAT and other tax regimes
- Breach of budgetary requirements
- Fraud
- Cyber threats

Typical aspects of an activity from which these losses may arise are:

- Inadequate assessment of partners
- Inefficient structure/excessive use of resources •
- Excessive/unplanned demands on other areas • •
- Poor forecasting of income or cash-flow
- Loss of opportunity
- Poor selection/management of consultants/advisers •
- Disruption to normal operations
- Failure to act on audit recommendations

Legal Risks

The major potential legal risks include :-

- contractual terms - terms not as intended
- reduced benefits
- penalties
- poor enforceability
- unlawful activities
- charity and company law
- regulatory frameworks
- Data Protection Act, etc
- investment decisions
- fund raising
- breach of trust/confidentiality
- ultra vires (beyond the powers) actions
- failure to protect Brand Name
- loss of independence

Public Relations Risks

The major potential public relations risks include:

- external relationships – media
- public
- clients/customers
- beneficiaries
- donors, etc.
- Government/political parties
- statutory bodies
- specialists
- other charities
- relations with other Age UK/Age Concern Organisations •
- services provided
- trading products
- ability to carry out services
- loss of opportunity
- breach of trust/confidentiality
- loss of independence

Administration Risks

The major potential administration risks include :-

- Excessively complex procedures
- Excessive workload
- Ineffective staff/management

Staff Risks

The major potential staff risks include :-

- Health & Safety, etc
- Employment legislation
- Training requirement
- Workload
- Stress, alienation

Assets Risks

The major potential asset risks include :-

- Loss or damage (physical security)
- Inappropriate purchase
- Disaster recovery planning
- Disclosure of information
- Computer security

Technology Risks

The major potential technology risks include :-

- Failure to perform to expectations/specification
- Early obsolescence
- Impact on staff
- Demands on power supply and other resources

Insurance Risks

The major potential insurance risks include :-

- Inadequate cover (type, value)
- Failure to disclose material facts
- Failure to include items
- Late arrangement of cover or premium payment

The Assessment Process

- Risk Assessments should be performed by the Staff member responsible for that activity and not by Volunteers.
- Staff should remain alert to the possibility of new risks arising and requiring assessment as an activity progresses.
 - The standard assessment techniques appropriate to the task will be used and advice should be sought from the Board of Trustees which may call upon specialist advice, where there is doubt over the techniques to be used or their method of execution.
- A regular review of the activity should take place at specified timescales as detailed on each individual Risk Assessment Form.

A ***Risk Assessment Record Form*** has been designed as a checklist to help with the process. Accompanying notes and references to specialist functions need to be accommodated. The Risk Assessment Record Form remains with the Officer Manager and any concerns raised immediately to the Board of Trustees.

POLICY STATEMENT

All Policies and Procedures held by Age Concern Petersfield & District are regularly reviewed and may be amended from time to time to reflect any changes in Legislation, regulatory guidance or internal policy decisions, as well as for any other reasons determined by the Board of Trustees. The latest versions will always be reflected on our website.