The King's Church, Prestwood

Policy Documents

Risk Management Policy
and Serious Incident Policy

Contents

The following additional polices are relevant to the Risk Management policy:

KCP Finance Policy

KCP Safeguarding policy

KCP Health and Safety policy

KCP employment policy

1. <u>Policy statement</u>

The Risk Management Policy is developed to ensure that KCP will manage risk effectively (including both threats and opportunities) in all aspects of our work including planning, delivering and overseeing activities and programmes.

Risk Management is the responsibility of everyone who is involved with KCP and its programmes, and our leaders will develop and encourage a culture of well-informed risk-based decision making and ensure that risks which are identified are managed.

2. <u>Roles and responsibilities</u>

2.1 Role of the Trustees

The trustees are responsible for monitoring our own systems to ensure they are robust for accountability, critical challenge, and oversight of risk. Trustees with the lead elder will identify the strategic risks that apply to KCP and make decisions about how to respond to the risks they face. Trustees and elders will be responsible for assurance relating to any key strategic risks, ensuring information is used to ascertain whether controls are in place, and for the governance process to prevent these risks occurring. It is a legal requirement for trustees to make an appropriate statement regarding risk management in the annual report.

2.2 Role of the Lead Elder

The Lead Elder will work with the trustees and is responsible for ensuring strategic and operational risks to the KCP are identified and managed. This includes developing and oversight of risk and assurance processes and risk register. The lead elder will act as a risk champion and encourage a culture of well-informed risk-based decision making in all KCP activities.

2.3 Role of FLAG

To identify, and make decisions how to respond to risks that arise from planning and organising the programme of activities which enable the King's Church Prestwood to achieve its vision and mission.

FLAG group comprises people with functional lead roles within the church. Functional leads will identify and make decisions how to respond to risks that arise from specific areas eg safeguarding, GDPR, including supporting undertaking risk assessment activities where appropriate.

FLAG will monitor any operational and programme risks which are identified on the risk register

2.4 Role of the Treasurer

The treasurer has responsibility for financial governance and associated financial risk. This includes identifying and make decisions how to respond to risks that arise from financial decisions and activities of the church.

3 Risk Policy

A Risk is defined as the possibility of exposure to the hazard and therefore the chance of injury, ill health, harm, damage, loss or service disruption. KCP Risk Management policy covers the following categories of risk:

3.1 Governance risks - Do we have the right skills?. Does our governing document let us do what we need to do to make the difference we want to make?

3.2 External risks - Do we have the influence and reputation that we need? What are the risks to this reputation.

3.3 Regulatory and compliance risks- Is there a risk of failing to comply with legislation or reporting, which might result in both reputational damage and financial damage.

3.4 Financial Risks - Are there risks to our finances that might stop us from achieving our objectives.

3.5 Operational risks - Is KCP set up and run in a way that is safe and allows success? Do we have the right people with the right capabilities in the right roles?. Do we have the tools we need to be successful? Do people communicate in the right way and use effective processes? Do we have the right culture?

4.Risk Register and scoring matrix

4.1 A risk register is a framework for identifying, assessing, recording and managing the risks that our organisations faces. The risk register process includes the following stages:

- Identify the risk – see categories above
- Analyse the risk - Once a risk has been identified, we need to assess the likelihood of the risk happening and the impact of the risk on KCP if it happens.
- Prioritise the risks – we can't focus on everything so priorities will be agreed based on the risk score
- Determine the appetite for risk – how much risk are we willing to accept in pursuing a particular objective
- Reduce and control the risk – agree actions that would mitigate specific risks
- Give assurance - Once the key risks have been identified, assessed and are subject to controls, it's important to make that these controls are being performed as expected
- Monitor and review - Once we have identified key risks and decided how to deal with them, plans are recorded in a risk register so that we can come back to it later.

4.2 Recording risks

KCP Risk Register will include a record of identified risks, the controls in place, additional controls that are required and responsibility for control activities. Each risk is scored, using a 5 x 5 matrix, (consequence x likelihood), which determines whether the risk is ranked as green, amber or red. The risk register template is attached as appendix1.

4.3 Definitions include:

Consequence: The impact or outcome component of a risk, on a scale of 1 -> 5

Likelihood: The probability of a risk occurring or recurring, on a scale of 1 -> 5

Controls: The available systems and processes, which help, minimise the risk.

Hazard: Anything/Situations with the potential to cause harm, damage or loss

4.4. The following matrix will be used to score risks.

Likelihood					
Almost certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3))	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Rare (1)	1	2	3	4	5
Consequence	Negligible (1)	Minor (2)	Moderate (3	Major (4)	Catastrophic (5)

4.5 Assurance and monitoring

Strategic risks will be reviewed at the elders and trustee meeting. Red risks will be reviewed monthly and all risks quarterly. Risks arising from the church's programme will be monitored by FLAG as required.

3. <u>Risk assessment</u>

A Risk Assessment is a process by which information is collected about an event, process, organisation or programme area, in order to identify existing risks/hazards, the consequence and the likelihood of harm and what control measures are in place, or are required to be put in place. Risk assessments should be completed for agreed public activities that are part of the KCP programme. The risk assessment format will be dependent on the complexity of the event. It is suggested that risk assessments are carried out for Sunday church meetings, and chequers folk.

4. <u>Serious incidents</u>

6.1 The Charity Commission requires charities to report serious incidents. If a serious incident takes place it is important that there is prompt, full and frank disclosure to the Commission. This includes reporting what happened and letting the Commission know how it is being dealt with. Serious incident may also need to be reported it to the police, donors or another regulator.

6.2 Definition : A serious incident is an adverse event, whether actual or alleged, which results in or risks significant:

- harm to the charity's beneficiaries, staff, volunteers or others who come into contact with the charity through its work.
- loss of your charity's money or assets
- damage to your charity's property
- harm to your charity's work or reputation

For the purposes of this guidance, "significant" means significant in the context of your charity, taking account of its staff, operations, finances and/or reputation.

6.3 Who should report a serious incident?

The responsibility for reporting serious incidents rests with the charity's trustees. In practice, this may be delegated to someone else within the charity, such as an employee or the charity's professional advisers.However, all trustees bear ultimate responsibility for ensuring their charity makes a report, and does so in a timely manner. If you decide not to make a report about something serious that has happened in your charity and the Commission later becomes involved, you will need to be able to explain why you decided not to report it at the time.

6.4 Why report to the Charity commission

- The Commission needs to ensure trustees comply with their duties. Reporting a serious incident shows we have identified a risk to the charity that has materialised, and that the trustees are taking appropriate action to deal with it. An incident is less likely to damage a charity's reputation if trustees can show that they handled it well.

- The Commission may need to provide regulatory advice or guidance or use its statutory powers
- The Commission can assess the risk to other charities

6 .5 When to report

An actual or alleged incident should be reported promptly. This means as soon as is reasonably possible after it happens, or immediately after your charity becomes aware of it.

6.6 Whistleblowing – speaking out if you suspect wrongdoing

The serious incident reporting framework and this guidance is for trustees. If you're an employee of a charity and you suspect serious wrongdoing within the organisation, for example criminal offences, malpractice/misconduct or health and safety breaches, you should usually raise this with your employers first. If the charity fails to deal with your concerns appropriately or you continue to suspect serious wrongdoing, you can report this to the Commission – including anonymously if you wish to do so.

6.7. The main categories of reportable incident are:

- protecting people and safeguarding incidents – incidents that have resulted in or risk significant harm to beneficiaries and other people who come into contact with the charity through its work
- financial crimes – fraud, theft, cyber-crime and money laundering
- large donations from an unknown or unverifiable source, or suspicious financial activity using the charity's funds
- other significant financial loss
- links to terrorism or extremism, including 'proscribed' (or banned) organisations, individuals subject to an asset freeze, or kidnapping of staff
- other significant incidents, such as – insolvency, forced withdrawal of banking services without an alternative, significant data breaches/losses or incidents involving partners that materially affect the charity

It is the responsibility of the charity trustees to decide whether an incident is significant and should be reported.

6.8 Reporting criminal activity

If a reportable incident involves actual or alleged criminal activity then it must also be reported to the relevant agencies:

- safeguarding incidents – see separate safeguarding policy
- fraud and cyber-crime: you should report allegations or incidents of fraud and cyber-crime to Action Fraud via its online reporting tool, ensuring you obtain a crime reference number and making clear that you're representing a charity.
- theft: you should report allegations or incidents of theft to the police (call 101 or make a report at a local police station) and obtain a crime reference number.