



# KINGSBURY CHARITY

## Risk Management Policy

### Statement of General Policy

- 1 The trustees of the Kingsbury Charity (the **Charity**) recognise and accept their responsibilities that ensure that the major risks to which the Charity is exposed are reviewed and that comprehensive systems are established throughout the organisation to mitigate those risks.
- 2 The trustees consider that a major risk is one which, if it were to materialise, would have a significant adverse effect on the Charity's ability to function and achieve its charitable purposes, that of providing almshouse accommodation for the Charity's beneficiaries / the residents.
- 3 The trustees accept that not all risks can be avoided, and the trustees are not averse to taking reasonable risks as part of their strategy to achieve the Charity's charitable purposes. However, the trustees will regularly review the risks that the Charity faces in all areas of its work, assess the potential severity and the likelihood of their occurring, and take appropriate action to manage the risks that they identify.
- 4 The trustees expect all staff and volunteers, when engaging in any activity, to consider the risks the activity poses and to act in accordance with any recommendations made for risk management.
- 5 The trustees do not expect staff or volunteers to engage in any significant types of activity outside of the usual activities carried out by the Charity, without them first having sought the trustees' permission to engage in such activity and having carried out an analysis of the risks such activity might pose to the Charity.
- 6 The trustees recognise their obligations to report Serious Incidents to the Charity Commission. The trustees will ensure that all major incidents are reported to the Charity Commission and/or other relevant authorities as and when required by law and in accordance with the Commission's guidance.
- 7 This risk policy does not replace the Charity's health and safety policy for the purposes of the Health and Safety at Work etc. Act 1974 and that policy should be referred to in appropriate circumstances.
- 8 This policy will be reviewed on an annual basis.

### Notes:

*The Charity Commission's annual return questionnaire asks charities whether they have a risk management policy.*

*In addition, the trustees must state in their annual report whether they have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are in place in order to manage those risks (see Regulation 40(2)(b)(ii)(ee) of The Charities (Accounts and Reports) Regulations 2008).*



# KINGSBURY CHARITY

*Identifying and managing risks is a key responsibility for almshouse charity trustees. All organisations regardless of size are exposed to varying degrees of risk and that risk could harm the charity, residents, volunteers or staff. Each individual charity will be exposed to risk in differing ways and have different capacities to tolerate or absorb risk. It is not possible to eliminate all risks.*

*The trustees should consider each risk faced by the charity, score it appropriately, and then decide how the major risks should be dealt with. This may involve taking steps to transfer the risk to others (for example by insuring against the risk); terminating the risk (for example by stopping the activity); treating the risk (for example putting in place preventative measure); or tolerating the risk (for example accepting that the risk cannot be dealt with in any other way but clearly identifying the risk for everyone to be aware of the issue).*

*This risk policy follows the approach suggested by the Charity Commission in its guidance (see below) and it is recommended that the charity trustees read the guidance before completing the policy. There is also comprehensive guidance in Chapter 7 of Standards of Almshouse Management.*

*The model policy lists suggested risks that the trustees may wish to consider, but this should not be considered an exhaustive list. Each charity will face its own particular risks and the policy should be tailored appropriately. It is a useful exercise to ask trustees to complete the policy as a group, collectively considering the risks faced by the charity and the appropriate scores. This enables all trustees to understand the risks the charity faces.*

*Good practice suggests that the “score” for each risk should be calculated by deciding (a) a score of 1 – 5 depending upon how likely the incident is to happen (with 5 being the most likely), (b) a score of 1 – 5 depending upon the likely impact on the charity if the incident happens (with 5 being the most severe), and (c) an overall score calculated by multiplying the likelihood score by the impact score, and then adding the impact score again. This gives a score that is weighted more towards risks that are likely to have the most impact. For example:*

*A major risk that is likely to be a rare occurrence (e.g., a major fire):*

<i>L</i>	<i>=</i>	<i>Likelihood</i>	<i>=</i>	<i>2</i>
<i>I</i>	<i>=</i>	<i>Impact</i>	<i>=</i>	<i>5</i>
<i>S</i>	<i>=</i>	<i>Risk Score calculated as (L x I) + I</i>	<i>=</i>	<i>15</i>

*A minor risk that may happen on a regular basis (e.g., property voids):*

<i>L</i>	<i>=</i>	<i>Likelihood</i>	<i>=</i>	<i>4</i>
<i>I</i>	<i>=</i>	<i>Impact</i>	<i>=</i>	<i>2</i>
<i>S</i>	<i>=</i>	<i>Risk Score calculated as (L x I) + I</i>	<i>=</i>	<i>10</i>

*Trustees may wish to fill the score box with a colour (e.g., green, yellow, red to provide a clear visual indicator of the likely risk). See the notes at the end of the register.*

*Further reading:*

*Charity Commission guidance: [“Charities and risk management \(CC26\)”](#)*

*Institute of Risk management guidance: [Charities Special Interest Group](#)*



**KINGSBURY**  
CHARITY