

## **Risk management policy**

### **Help Impact (“the Charity”)**

#### **1. Purpose**

- 1.1 The purpose of this policy is to detail the principles and processes that govern how the Charity manages risks.
- 1.2 Risk may generally be defined as uncertainty in relation to events and their outcomes that may significantly impact operations of a charity.
- 1.3 The Charity’s policy is to identify and manage potential risks that it may face. Risk management is a key part of the Charity’s governance.

#### **2. Identification of risks**

- 2.1 The Charity should always review its operations and assess any risks that may arise.
- 2.2 The Charity should consider potential risks in terms of the different aspects of the environment where the Charity works. The factors to be considered include<sup>1</sup>:
  - Financial climate
  - Society and its attitudes
  - Natural environment and changes in the law
  - Technology and knowledge.
- 2.3 The Charity should consider both financial and non-financial risks.
- 2.4 The Charity trustees should refer to the following risks when performing risk assessment:
  - Governance risks
  - Operational risks
  - Financial risks
  - External risks
  - Compliance with law and regulation<sup>2</sup>.

#### **3. Risk assessment and management**

- 3.1 After identifying potential risks the Charity should choose the appropriate strategy to manage these risks effectively.

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1 Charity Commission Guidance “ Charities and risk management (CC26)”  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/589944/CC26.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/589944/CC26.pdf)

2 Source of this system of classification is Charity Commission Guidance “ Charities and risk management (CC26)”  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/589944/CC26.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/589944/CC26.pdf)

- 3.2 Depending on specific circumstances the strategy may include but is not limited to such actions as transferring financial consequences to third parties (insurance or outsourcing), or avoiding operations associated with the risk under review.
- 3.3 When the Charity trustees decide whether a grant shall be awarded they should refer to the risk assessment checklist provided by Charity Commission to assess potential risks of a project. The checklist is detailed in Appendix 1. For further information on the procedures for grant award please refer to the “Grant making policy”.
- 3.4 In addition to the Charity Commission’s risk assessment checklist, trustees should ensure that:
- Any new risks arising during the process of a project implementation are properly reported and evaluated.
  - In case there are any significant failures of control systems, they are properly reported and actioned.
  - There is an adequate level of understanding of individual responsibilities for both implementation and monitoring of the control systems.
  - Any further actions required are identified.
  - Trustees are provided with relevant and timely reports in relation to the project implementation.

#### **4. Monitoring and review of this policy**

- 4.1 This policy is reviewed annually by our board of trustees to ensure that it is achieving its objectives.

## **Appendix 1 – Charity Commission’s risk assessment checklist**

### **1. The activity/project**

- Is the activity clearly within the charity’s objects?
- Are proper policies and procedures in place to prevent beneficiaries being put at risk?
- Are partners/staff/volunteers sufficiently trained to be able to carry out the work?
- What lessons has the charity learnt from its own previous experience, or that of other organisations working in the same area and/or type of activity?

### **2. Legal**

- Are there any specific laws and requirements to be aware of in carrying out the activity?
- Are there any UK and/or local sanctions in force?

### **3. Finance**

- What is the charity’s financial position and is there enough money available to support the proposed activity?
- Will there be an impact on tax (for example, VAT implications)?
- How will the money get to the project site? Will it go through bank accounts direct to the recipient?
- Will Money Service Businesses be used?
- Will cash couriers be required?

### **4. Partners**

- Are partners being used? What risks does this pose?
- Have these partners been used before?
- Will a written agreement be in place?
- What are the risks of the partner not delivering?
- Can money be recovered if necessary? What problems might there be?

### **5. External Factors**

- What factors are outside the trustees’ direct control?
- Charities working internationally should ensure their risk assessment takes account of any relevant circumstances arising in their particular country or region of operation. Specific risks could arise from working in an area where there may be:
  - internal conflict or other violent or military action
  - known terrorist or criminal activity
  - poor infrastructure in remote or sparsely populated areas
  - changes in government/political environment
  - lack of banking facilities
  - high levels of bribery and corruption.