

## CASPARI FOUNDATION RISK MANAGEMENT POLICY

### Introduction

We recognise the importance of effective risk management to achieve its charitable objectives. This policy outlines our commitment to identifying, assessing, and managing risks to ensure our charity's resilience and continued success.

### Purpose

The purpose of this policy is to establish a framework for identifying, assessing, prioritizing, and managing risks associated with our activities. It aims to ensure a systematic and proactive approach to risk management, protecting the charity, its beneficiaries, and stakeholders.

### Scope

This policy applies to all trustees, employees, volunteers, and stakeholders involved in our work. It covers all aspects of the charity's operations, including but not limited to programmes, finances, reputational risk, and governance. Where necessary, we will create additional relevant policies, such as systems of internal control and health & safety policies.

### Charity Commission Guidance

The Charity Commission strongly recommends that charities have a clear risk management policy and process to identify and manage all types of risks and embed risk management into the charity's work. [CC26](#) provides guidance.

### Risk Management Cycle

Risk is usually managed by means of a cycle of identification, quantification, management and review.

- **Identification.** Identify the various risks that may materialise.
- **Quantifying.** Assess and quantify these risks.
- **Managing.** Take appropriate action to manage these risks. This is usually the weakest area in a risk management framework. Risks can be managed as follows:
  - **Avoidance.** Action that can be taken to avoid a risk occurring.
  - **Mitigation.** Action that can be taken to reduce the impact a risk may have, if it occurs.
  - **Buying Out.** Generally, this is done using insurance.
  - **Accepting.** Risk cannot be eliminated entirely, and any steps taken to manage risk must be reasonable, as resources are not unlimited in terms of money and time. Equally, adopting a purely risk averse approach limits opportunity.
- **Reviewing.** Risks should be reviewed as regularly as is necessary, depending on their likely probability and impact in the light of changing circumstances. This may be done on an ongoing basis, at appropriate points in projects or at regular meetings.

## **Responsibilities**

The board retains overall responsibility for risk management and discusses and decides the level of risk it is prepared to accept for specific and combined risks.

The board regularly reviews the charity's specific significant risks and the effect of these risks added together. It makes plans to mitigate and manage these risks appropriately. Trustees consider risk that relates to their situation and where they work, for example safeguarding.

The board puts in place and regularly checks the charity's process for identifying, prioritising, escalating and managing risks and, where applicable, the charity's system of internal controls to manage these risks. The board reviews the effectiveness of the charity's approach to risk at least every year. The board describes the charity's approach to risk in its annual report and in line with regulatory requirements.

The board agrees and oversees an effective process for appointing and reviewing its external examiners or auditors if they are required.

The systems of financial control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. These include:

- a strategic plan and an annual business plan and budget approved by the Board.
- regular consideration by the Board of financial results and variance from budgets.
- delegation of authority and segregation of duties.
- management of risk.

All staff and volunteers have a role in identifying and reporting risks within their respective areas of responsibility.

## **Risk Identification and Assessment**

Risks will be identified through regular risk assessments conducted at least annually.

Identified risks will be assessed based on likelihood and impact to determine the level of risk.

Risks will be categorized as strategic, operational, financial, or compliance related.

## **Risk Mitigation and Management**

Strategies for risk mitigation will be developed for high-priority risks.

Mitigation plans will be assigned to responsible individuals with clear timelines.

Regular monitoring and reporting on the progress of risk mitigation plans will be conducted.

**Reporting and Communication**

A risk register will be maintained and regularly reviewed by the Board of Trustees.

Key risks and mitigation efforts will be communicated to relevant stakeholders.

In its annual report, the Board will report on the steps it has taken to manage risk, to demonstrate the charity's accountability to its stakeholders including beneficiaries, donors, funders, employees and the general public.

**Review and Continuous Improvement**

The risk management policy and processes will be reviewed annually or as needed.

Lessons learned from risk events will be used to improve risk management practices.

**Training and Awareness**

Staff and volunteers will be made aware of the risk management policy and practices.

Regular communication will be conducted to raise awareness of the importance of risk management.

**Version Control - Approval and Review**

<b>Version No</b>	<b>Approved By</b>	<b>Approval Date</b>	<b>Main Changes</b>	<b>Review Period</b>
1.0	Board	May 24	Initial draft	Annually