

Risk Management Policy

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TalentEd is a registered charity, committed to delivering services that address the following objectives:

1. The advancement of education; and
2. The relief of those in need by reason of financial hardship or another disadvantage

We do this by supporting high ability students from low income backgrounds to help realise their full academic potential.

1. Introduction

This Policy provides the framework for the management of risk at a governance and operational level within TalentEd in accordance with the requirements of the Charities Commission and its Health and Safety Policy.

The charity defines risk as the threat that internal or external events will adversely affect its ability to achieve its strategy, policy and operational goals. It recognises that risk is something that cannot be wholly contained but aims to manage the exposure to those risks to a satisfactory level with the resources available to it.

It is the intention that effective, proactive risk management supporting structured well managed risk taking is integrated into the culture of the charity.

2. Background

TalentEd has established nine key Risk Areas relevant to its activities and governance. These are:

2.1 Strategy Risk

The risk of diversifying into new areas or departures without sufficient groundwork to ascertain the long-term consequences of short-term planning.

2.2 Reputational Risk

This risk requires all representatives to consider the direct and indirect consequence of their actions on the reputation of the charity and its efforts to create trust and a sense of positive support from its stakeholders.

2.3 Compliance Risk

This risk requires the management of statutory and legislative requirements and obligations and ensuring that policies and procedures are properly implemented, monitored and updated/ amended accordingly.

2.4 Financial Risk

This risk requires the management of cash flow requirements to ensure smooth operational running of the business, accurate financial information reporting and analysis to enable business planning and a secure decision-making environment.

2.5 Business Continuity Risk

The risk of fundamental external influences catastrophically affecting the “business-as-usual” functionality of charities activities, e.g. IT Failures (Viruses, Worms) and Pandemics.

2.6 Human Resource Risk

The risk associated with the poor treatment of the pool of human resource that the charity draws on from time to time Including low employee engagement, lack of training and loss of personnel.

2.7 Trustees and Funder Risk

A failure to attract the appropriate calibre of Trustees or Funder, alienation of existing Trustees and Funders and consequential damage to reputation, long-term governance and sustainability.

2.8 Commercial Risk (including political change and business models)

The risk of existing business models becoming redundant through fundamental political, economic, social and technological change.

2.9 Operational Risk

The risks that are associated with the day to day activities of the charity that impact directly on the employees, our customers, clients and wider stakeholders.

The Charity retains a number of risk registers based on the 'heat map' principle detailed below. Risk has been scored based on a simple four point matrix scoring system that assesses the likelihood and impact of any risk.

3. Procedure

Table to demonstrate risk rating

Impact	Hi	4	8	12	16
	M/H	3	6	9	12
	M/L	2	4	6	8
	Low	1	2	3	4
		1	2	3	4
		Low	Med Low	Med High	High
		Likelihood			

Risk is calculated by identifying hazards (such as the nine identified above), establishing the likelihood of any risk being realised and multiplying it by the impact the outcome of the risk being realised would have.

By regularly reviewing activities, the charity and its employees will seek to ensure any risk management issues linked to the nine risk areas highlighted are reported to the Director and its Trustees as a minimum annually.

The charity will ensure that all employees undertake risk assessment training relevant to their role and that systems are in place for reviewing risk relevant to each person's role, allocating suitable resources to ensure the long-term safety and sustainability of the charity and its representatives.

Impact (Severity)

4	Catastrophic – imminent danger exists to the survival of the charity or individual(s)
3	Critical – the hazard can result in major impact to the charity, temporarily preventing the charity deliver services or cause serious illness or severe injury.
2	Marginal – the hazard can undermine or hinder the activities of the charity on a day to day basis, cause illness or injury.
1	Negligible – the hazard will not result in any material impact to the charity other than create a mild interference with day to day activities and poses only a remote possibility of injury beyond minor first aid.

Likelihood (Probability) Definition

4	Probable – likely to occur immediately or soon
3	Reasonably probable – probably will occur in time
2	Remote – may occur in time
1	So unlikely, close or at zero

Risk Score Overall Rating

9-16	High (Take immediate action to contain or restrain the activity)
5-8	Medium (Implement further procedures to reduce risk going forward)
2-4	Low (Action as matter of continuous improvement where cost and resource permits)
1	Extremely remote – unlikely to occur (no action -monitor)