

 **Croydon Vision’s Risk Management Policy**

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| Policy Name and version | **Risk Management Policy** |
| Read in conjunction with | Finance Procedure, H&S Policies, Risk Assurance Framework |
| Owner | Finance Lead, Managers, CEO, Treasurer |
| Approval body | Board of Trustees |
| Frequency of approval | Annual |
| Date to approve | 22nd June 2022 |
| Date next approved | June 2023 |

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1. **Policy Statement**

This document sets out the policy and procedures of Croydon Vision when considering risk and the management of risk. The policy outlines the principles that underpin risk management, the responsibilities of the Board of Trustees, CEO and management, and the methodology in place for identifying, assessing, and evaluating risk.

1. **Statement of intent**

Croydon Vision is committed to sound risk management. It is committed also to ensuring there are effective internal controls in place to identify, assess, evaluate, mitigate and monitor risks.

Croydon Vision adopts a formal approach to risk in order to apply a consistent approach to risk management. The risk policy supports decision making and resource allocation at both operational and strategic levels.

1. **Definitions**

Risk – the effect of uncertainty upon Croydon Vision’s objectives, assets and reputation. Risk may have a positive or negative impact.
Risk Appetite conveys the degree of risk the organisation is prepared to accept in pursuit of its objectives.

Risk Assessment Framework – matrix which describes and assesses the strategic risks of Croydon Vision.

Incident - an incident is an issue that requires a response.
An incident may impact on any area of Croydon Vision’s activity.
An incident that is not considered to be critical has a localised containable impact and is unlikely to escalate in severity but requires response and management as part of ongoing business-as-usual.

Critical Incident – an incident that has the potential to have a severe impact on the operations or reputation of the Charity. It requires a focused and concerted response and ongoing management by a task and finish team that is agreed by the board; Critical Incident Team (CIT).

1. **Responsibilities The Board:**

The Trustees are responsible for overseeing a sound system of

internal control that is designed to respond to and manage the whole range of risks that the Charity faces.

The Board is responsible for establishing a risk management culture.
It sets the level of risk appetite and tolerance and approves major decisions impacting risk profile and exposure. A risk management statement is included in the Trustees’ annual report confirming that the Trustees have considered the major risks to which the Charity is exposed and satisfied themselves that systems or procedures are in place to manage those risks.

**Finance & Risk Committee (FRC):**

The Board delegates responsibility to the Finance and Risk Committee for the establishment and maintenance of an effective system of governance, risk and internal control. The Committee reviews the process under which Croydon Vision sets its risk appetite and advises the Board on the development and implementation of the risk framework, overseeing and advising the Board on the current risk exposures and reviewing the effectiveness and timeliness to mitigate risks.
 **The Chief Executive Officer (CEO):**Overall responsibility for implementing the risk management framework has been delegated to the CEO. The responsibilities include:

* Undertaking a regular review of risks associated with each of the key organisational objectives.
* Establishing an effective risk plan, in proportion to the level of risk identified.
* The design of an effective control environment to consider risk.

Establishing appropriate mechanisms for:

* Minimising the opportunity for risk – e.g., fraud and money laundering by introducing, overseeing, and enforcing suitable control mechanisms (such as segregation of duties, written procedures and agreed frameworks of responsibilities, sign-off and review).
* Enabling and encouraging the reporting of risk issues through training, application, and continued development.
* Reporting significant actual operational risks and risk status to the Board.
* Making sure that all staff are aware of the risks facing the Charity
* Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

**Management Team & Finance Lead:**

The CEO delegates the following responsibilities to members of the Management Team and Finance Lead:

* Identifying risks which emerge in their areas of responsibility
* Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively.
* Assessing the types of risk involved in the operations for which they are responsible.
* Regularly reviewing the control systems for which they are responsible; ensuring that controls are being complied with and their systems continue to operate effectively.
* Implementing new controls to reduce the risks where possible.

**Staff and Volunteers:**

Every member of staff or volunteer is responsible for:

Being alert to the presence of risk and Incidents.

Reporting to their manager (or responsible person in the case of volunteers) when they believe an incident has occurred or is likely to occur.

1. **Risk assessment and management**Risks are described and assessed within the risk assessment framework.
The following factors are considered:
* Risk description
* Likelihood
* Severity
* Management & Finance Lead
* Risk appetite
* Mitigating actions (including third party assurances)
* Status
* Learnings are fed back into the assessment.
1. **Frequency of Review**
* Management and Finance Lead will meet quarterly; to review risks and ensure risk register and action plans are updated within the risk assurance framework.
* FR Committee meets quarterly and will review the status of the risk assurance framework.
* The Board meets quarterly and is updated on risk by the Chair of FRC.

**This policy is to be read in conjunction with the following policies/training:**

* Risk Assurance Framework
* H&S Policy
* Financial Procedure

 **Date to approve by the Board: 22nd June 2022

Next Review date: June 2023**