Risk Management Policy

1. Policy Statement

Identifying and managing the possible and probable risks that the charity may face is a key part of effective governance. Trustees of Red Trouser Day are responsible for ensuring there is a regular review and assessment of the risks faced by the charity in all areas of its work and a plan for the management of those risks.

2. Introduction

2.1 Risk is defined as uncertainty surrounding events and their outcomes that may have a significant impact, either enhancing or inhibiting any area of the charity's operations. Risk is an everyday part of charitable activity and managing it effectively is essential if the trustees are to achieve their key objectives and safeguard the charity's funds and assets.

2.2 This policy outlines the basic principles and strategies that the charity applies to help manage its risks through ensuring significant risks are identified, known, managed and monitored, enabling trustees and the management team to:

- make informed decisions about how to respond to these risks and take timely
- action
- make the most of opportunities and develop them with the confidence that
- any risks will be managed
- improve forward and strategic planning
- achieve the charity's aims more successfully

3. Statement of Principles

3.1 The key areas of risk for the charity are identified, assessed and kept under review at appropriate intervals according to the assessed level of risk by the charity's senior management team following the Charity Commission Guidance.

3.2 The Chair of Trustees is responsible for ensuring that regular risk assessments are undertaken and reviewed by the Trustees. A summary of the results, including a copy of the current Risk Register, on an annual basis, or more frequently if significant changes have emerged, enables Trustees to make the required risk management statement with reasonable confidence.

3.3 The identification, assessment and management of risk is set in the context of CC26 which divides the risks into the following categories:

3.4 Governance

3.5 Operational (and strategic) risk

3.6 Finance risk

3.7 Environmental and external risk

3.8 Law and regulation compliance risk

3.9 In addition to ongoing general risk assessment, the operational procedures for planning and execution of all significant charity activities and new initiatives include risk assessment and management specific to that activity.

4. Risk Management Statement

4.1 By law the Charity must make a risk management statement in their trustees' annual report confirming that the Charity Trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

4.2 Reporting in its trustees' annual report on the steps RTD has taken to manage risk helps to demonstrate the charity's accountability to its stakeholders including beneficiaries, donors, funders, employees and the general public.

4.3 The statement includes:

4.3.1 a description of the current key strategic risks faced

4.3.2 how each risk is managed or mitigated

4.3.3 that these risks and other identified risks relating to the Charity are analysed in a formal risk register which includes controls and actions to mitigate the risks.

5. Risk assessment and Risk Register

5.1 For each risk identified in each area:

An analysis is undertaken of:

- the factors that may cause the risk to occur
- the controls that are in place to mitigate the risk occurring
- an action plan for further management of the risk

An assessment is undertaken of:

- the likelihood of the risk occurring on a scale 1-5 (rare to almost certain)
- the severity of the impact if the risk were to occur on a scale 1-5 (insignificant to catastrophic)
- the risk rating is calculated by adding the severity to the multiple of likelihood and severity (i.e.(likelihood x severity)+ severity). In this way those risks where there is a higher severity attached will be clearly identified in the heat map.

- All identified risks are recorded in the risk register.
- The risk assessment including the impact of controls and implementation of any action plan is reviewed by senior management on a regular basis.

6. Review

This policy will be reviewed annually by the Board of Trustees to ensure it remains current, effective, and proportionate for our charitable activities.

RTD Policy Framework

Policy Area	Lead Policy	Linked Policies
Risk	***Risk Management***	SIR, AML, Anti Bribery, Safeguarding
People	Safeguarding	SIR, Complaints
Finance	Anti Money Laundering	Tainted Donations, Anti Bribery
Conduct	Conflict of Interest	Complaints, SIR , Data Protection, Privacy
Information	Privacy	IT Acceptable Use, Complaints, Social Media, Data Protection

SIR – Serious incident Reporting AML – Anti Money Laundering