

Broughton Playing Fields and Village Hall Association

Risk Management Policy

Objectives

A Risk Management Policy is essential to the good governance of a Charity, for proper care of funds and to help to ensure public confidence. Charity trustees should regularly review and assess the risks faced by their charity in all areas of its work and plan for the management of those risks. 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 their charity's funds and assets.

The Trust Deed of the Broughton Playing Fields and Village Hall Association also mandates that: "the Committee shall cause all the buildings and other property of the Charity at all times to be kept in repair and sufficiently insured against fire theft public liability and other insurable risks".

Responsibility

The Risk Management Policy is the responsibility of the Management Committee of the Broughton Playing Fields and Village Hall Association.

Scope

The scope of this Policy includes all the financial and other risks to which the Broughton Playing Fields and Village Hall Association may be exposed.

Charities Commission Guidance

The Charities Commission guidance document cc26 identifies the following categories of risk: Governance, Financial, Operational, Compliance, Environmental/ External, together with many potential risks within these categories.

The Charities Commission guidance document cc26 identifies the following basic strategies of managing risk:

- transferring the financial and/or other consequences to third parties or sharing it, usually through insurance or outsourcing
- avoiding the activity giving rise to the risk completely
- active management to mitigate the risk
- accepting or assessing it as a risk that cannot be avoided if the activity is to continue. An example of this might be where trustees take out an insurance policy that carries a higher level of voluntary excess or where the trustees recognise that a core activity carries a risk but take steps to mitigate it: public use of a charity's property such as a village hall would be such a risk

Risk Management Policy

Implementation

A Risk Register has been created, containing the relevant identified potential risks in the Charities Commission guidance document cc26 plus other locally identified potential risks. The Risk Register documents the planned response of the Management Committee to these risks, the responsibilities for carrying out the risk management plan and the residual perceived risk.

The Management Committee will review the Risk Register on a regular basis, at least annually in October prior to insurance renewal, but also when a new risk arises:

- To ensure that the Policies and management actions to address or mitigate risk are carried out.
- To ensure that the insured sums remain appropriate
- To plan additional actions where appropriate to reduce residual risk to “Low”.
- To ensure that the Register is complete and that no new risks have arisen
- To ensure that the responses to the risk remain appropriate

The Chair will make an appropriate statement regarding the implementation of the Risk Management policy annually at the AGM as part of the Chair’s annual report.

Insurance

The Trust Deed of the Broughton Playing Fields and Village Hall Association mandates that: “the Committee shall cause all the buildings and other property of the Charity at all times to be kept in repair and sufficiently insured against fire theft public liability and other insurable risks”.

The insurance is renewed annually in November. The Village Hall Management Committee therefore needs to review the insurance cover in its October meeting.

The insurance contract needs to cover the following items.

1. Property insurance against all fire, damage and other relevant hazards.
The value of the Property is the most significant item and should be reviewed annually, taking professional advice as necessary.
2. Contents insurance against fire, damage, theft and other relevant hazards.
An asset register is maintained by the Treasurer to assess the appropriate amount for Contents insurance, to be reviewed at least annually.
3. Employers Liability insurance.
4. Public Liability insurance.
5. Property Owners insurance.
6. Trustees Liability insurance.
7. Legal expenses insurance.
8. Business interruption insurance.
9. All risks insurance, to cover 3rd party property where appropriate.
10. Personal accident insurance.
11. Cash.

Risk Management Policy

Implementation

The Management Committee shall ensure an adequate and appropriate level of cover for each category. It shall also determine the appropriate excess (deductible) level and other residual retained risk for each category according to the most advantageous economic terms of the insurance contract and according to the finances including Contingency Reserve of the Broughton Playing Fields and Village Hall Association.

The Management Committee should also add other insurance categories when appropriate, particularly when significant new contracts are made, such as building projects.

The Management Committee is responsible for ensuring that the contractual terms of the insurance contract, such as excluded activities, are met.

Contingency Reserve

The Investment and Contingency Reserves Policy documents the need for a Contingency Reserve, together with its purpose and potential uses.