



## 1. Introduction

The Charity Commission states that 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. Setting a risk framework allows trustees to:

- identify the major risks that apply to their charity
- make decisions about how to respond to the risks they face
- make an appropriate statement regarding risk management in their annual report

## 2. Common types of risk

The Charity Commission indicates that risks broadly fall into five categories:

- Governance risks
- Operational risks
- Financial risks
- External risks
- Compliance with law and regulations

## 3. Managing risks

The main strategies used by the Group to manage risk are:

- Avoiding the activity giving rise to the risk, for example stopping an activity or service
- Trustee review of activities/events to ensure control measures are appropriate for the level of risk
- Management of Group activities through controls or use of policies

Inevitably there will be risks that are known not known (“**unknown risks**”) and only come to light when an issue or event occurs. Should a new issue or event occur, the Trustees will review and evaluate if risks are of sufficient magnitude to be added to Appendix A.

Where risks are to be included in Appendix A, a Risk Level is given as one of High, Medium or Low. The level is a consideration of the identified controls measures being in place and effective and taking into account both the probability of the event occurring AND the impact of the event occurring.

## 4. Assessment of our risks

Appendix A sets out the main risks identified by Trustees for the Group and the controls deployed to mitigate those risks.

Next review: April 2022

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**Appendix A**

| No | Category / Description   | Risk Details   | Control Measures   | Risk Level |
|----|--|--|--|------------|
| 1  | <b>Governance:</b><br>Loss of individual trustees, committee members or volunteers | Some who help the Group have long experience and particular technical and people skills, which would be difficult to replace   | <ul style="list-style-type: none"> <li>• The Chair of the trustees undertakes succession planning, making requests to membership for volunteers periodically.</li> <li>• HSP Group activity is increasingly spread across more individuals rather than consolidated in a handful. Wherever possible the responsibilities and activity of committees are shared across individuals to mitigate the risk of relying on one person to undertake tasks.</li> </ul>   | Medium     |
| 2  | <b>Financial:</b><br>Reduction in Income   | Income from fund-raising is unpredictable and varied. However, income from subscriptions is more stable and is enough to cover core administrative and operating costs   | <ul style="list-style-type: none"> <li>• A fundraising committee meets regularly to review current and new forms of income generation</li> <li>• Should income drop significantly expenditure will be reduced accordingly.</li> <li>• Research grants are only awarded when there are sufficient funds available to cover the expenditure.</li> <li>• Use of funds and expenses policies state when and how expenditure can be applied. Policy review will take into account known commitments and available funds.</li> </ul> | Medium     |
| 3  | <b>External:</b><br>Reputational damage  | <p>The groups reputation could be impacted (and our charitable status jeopardised) because of adverse publicity from decisions made or activity promoted by those who represent the group. Examples might include:</p> <ol style="list-style-type: none"> <li>a) meetings arranged without properly considering the vulnerability of attendees</li> <li>b) Misinformation given at meetings or on websites/social media</li> <li>c) Inappropriate behaviour by those representing the Group</li> <li>d) Research funds given to organisations who are inappropriate to undertake that research.</li> </ol> | <ul style="list-style-type: none"> <li>• Those who represent the group must read and understand the Groups code of conduct policy</li> <li>• All Group events and activities must be agreed by the Trustees or by one of the Groups Committees.</li> <li>• The research grant application process includes an assessment of the suitability of organisations.</li> </ul>   | Medium     |
| 4  | <b>Operational:</b><br>Breach of GDPR or   | <ul style="list-style-type: none"> <li>• Misuse of personal data such as disclosing personal details to a third party</li> <li>• Inability to evidence consent has been obtained</li> <li>• Not following the right process if a data breach occurs</li> </ul>   | <ul style="list-style-type: none"> <li>• Those who process data for the group must do so in accordance with our data protection policy.</li> <li>• Trustees must ensure that all relevant people are aware of the Groups data policies.</li> </ul>   | Medium     |

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|   | similar data regulations   |  |  |     |
| 5 | <b>Governance:</b><br>Conflicts of interest  | Decisions may not be based on all relevant considerations. There is opportunity for individuals or organisations to gain a benefit from decisions made.  | <ul style="list-style-type: none"> <li>Trustees and committee members have a requirement to disclose any interests or conflicts as appropriate when relevant decisions are being made</li> <li>Interests and conflicts of interest must be declared in line with the Groups policy.</li> </ul>   | Low |
| 6 | <b>Governance:</b><br>Poor charity management  | Decisions about group activities, policies and expenditure may not be in line with the Groups constitution.  | <ul style="list-style-type: none"> <li>Appropriate governance is established through a combination of a) constitution, b) policies and c) organisation structure.</li> <li>The Trustees regularly review activities, policies, income and expenditure alongside operational performance</li> </ul>   | Low |
| 7 | <b>Operational:</b><br>Loss of the Membership Database and/or content on the website | <ul style="list-style-type: none"> <li>The membership database is on the HSP Group server. No automatic back up of this database is possible, with a reliance on a manual process.</li> <li>The database, website and social media channels could be hacked or deleted.</li> </ul> | <ul style="list-style-type: none"> <li>A process for a regular manual backup of the database is in place to ensure any data loss would be relatively small, and giving a straightforward restoration process.</li> <li>There is an automated website back up monthly and the database (containing the web pages) weekly. These backups are held on the website and separately on the cloud</li> <li>Access to the database, website and social media channels are limited to a small number of individuals to minimise the risk of password disclosure.</li> </ul>   | Low |
| 8 | <b>Financial:</b><br>Loss/misuse of funds  | <ul style="list-style-type: none"> <li>Funds could be mis-appropriated, and the loss not realised until the next annual audit of the accounts</li> <li>The Treasurer is the only one to have access to the bank funds with on-line banking.</li> </ul>                             | <ul style="list-style-type: none"> <li>Access to the bank account is limited. The Treasurer holds the one and only chequebook and cheques require 2 signatures.</li> <li>We currently have a diligent examiner of the accounts, so any offence is unlikely to remain undiscovered.</li> <li>Use of funds and expenses policies state when and how expenditure can be applied</li> <li>Formal requests are considered by the Trustees. The recommendations of the research committee are considered, who review evidence presented to them by organisations applying for research funding. Applications by members are considered by the trustees.</li> </ul> | Low |
| 9 | <b>Financial:</b><br>Third-party claims  | An individual could bring a claim against the HSP Group for damages relating to a third-party product or service that was advertised or mentioned in an HSP Group publication  | <ul style="list-style-type: none"> <li>The Newsletter and the website have a disclaimer that says "Articles written by authors reflect the views of the author, which are not necessarily the views of the group."</li> </ul>  | Low |