

# The Institute of Risk Management

Name: Honorary Treasurers Forum

Date: 25<sup>th</sup> September 2017

Event: SIG Top Risks Report 2017



# Agenda


## Top Risks Event

- ▶ SIG update
- ▶ Top Risk Results
- ▶ Output from Top Risks Seminar February 2017



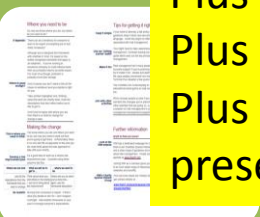


# SIG Update




**2015**

- Getting Started (with Risk Management) Campaign
- Flyer and Supplementary Guidance
- Presentations including You Tubes



**Plus 3 newsletters per annum**  
**Plus at least 3 events per annum**  
**Plus engaging with other organisations to present such as CFG and ICAEW**

You Tube slide narration



**2016**

- Setting Risk Appetite
- Flyer and Supplementary Guidance
- You Tube slide narration





# SIG Update - 2017

Top Risk Survey

Continuing with newsletters and events

Risk Governance project

Risk & Compliance project





## Top Risks Survey: pick your top 5 out of these!

Fundraising	Information Governance	Cyber	Safeguarding	Health , Safety & Security
Loss of public confident	Trustee governance	Fraud	Financial sustainability	Ageing population and giving dynamics
Trustee disconnect to Senior Management Team	Competition between charities and also charities and private sector	Media scrutiny	Crisis Management	Brand decline
Volunteer management	People: employee retention and quality	Duty of Care	People based overseas	Global compliance with legislation and regulation
Brexit e.g. foreign currency, inflation, uncertainty	Funding sustainability	Service delivery contracts	Organisational resilience & continuity	Any other risk(s) state below





# Top Risks Survey Results!!

Respondent Category	Numbers
Smaller charity	83
Medium charity	11
Larger charity	25
Consultant	3
Not specified	3
Total	125





# Top Risks Survey Results!!

Top Risk	Nos.	%	Top Risk	Nos.	%
1. Funding sustainability	65	52.00	6. Duty of Care	32	25.60
2. Financial sustainability	62	49.60	=7. Volunteer Management	29	23.20
3. Fundraising	53	42.40	=7. Employee retention and quality	29	23.20
4. Health, Safety & Security	40	32.00	9. Global compliance: legislation & regulation	25	20.00
5. Organisational resilience and continuity	38	30.40	=10. Competition =10 Safeguarding	23	18.40





# Top Risks Survey Results!!

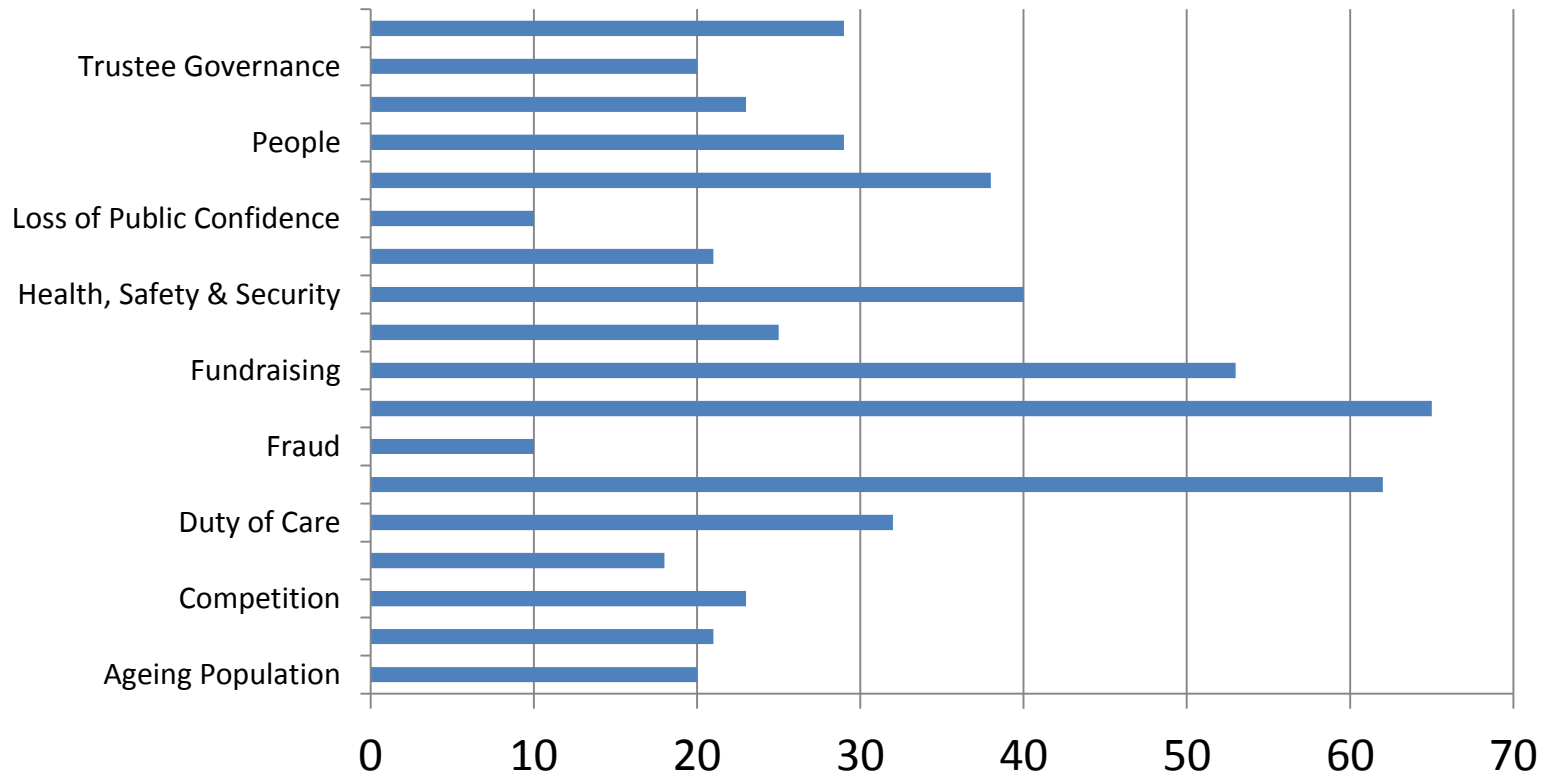
Fundraising 53	Information Governance 21	Cyber 18	Safeguarding 23	Health , Safety & Security 40
Loss of public confident 10	Trustee governance 20	Fraud 10	Financial sustainability 62	Ageing population and giving dynamics 20
Trustee disconnect to Senior Management Team 4	Competition between charities and also charities and private sector 23	Media scrutiny 7	Crisis Management 7	Brand decline 4
Volunteer management 29	People: employee retention and quality 29	Duty of Care 32	People based overseas 5	Global compliance with legislation and regulation 25
Brexit e.g. foreign currency, inflation, uncertainty 21	Funding sustainability 65	Service delivery contracts 12	Organisational resilience & continuity 38	Any other risk(s) state below 26







# Top Risks Survey Results!!



# Top Risks Survey Results!!

Sample of Other Risks stated:

- Lack of independent entrepreneurs in the sub sector
- Major building project will impact member activities, income and staff
- Changing regulatory landscape and how we keep up! Compliance with UK legislation and regulation
- Cost of minibus insurance
- Rise of populist extremism in UK, Europe and the US
- Reductions in funding by from Local Authorities
- Building maintenance and property leases
- Recruitment of adult volunteers and volunteer retention
- Rise of anti-christian attacks by extremist groups
- To be honest I could tick all of these!
- I don't lose sleep...just take each day as it comes
- Fragile organisational processes
- Reliance on third parties for infrastructure – IT and physical. IT/digital not keeping pace with change
- Remaining relevant
- Return on investments
- Interaction with other partners





# Top Risks Seminar Output

Top Risk	What is the risk all about?	Managing the risk	Improving the risk
<b>Funding sustainability</b>	<ul style="list-style-type: none"> <li>• Reliance on local authority contracts</li> <li>• Commissioning process</li> <li>• Commercial contracts</li> <li>• Reduced public spending</li> <li>• Competition for funds</li> </ul>	<ul style="list-style-type: none"> <li>• Diversify the portfolio</li> <li>• Focus on core mission/specialise</li> <li>• Don't over commit to poor quality contracts</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic planning needs to be clear so people know what is and is not within scope</li> </ul>
<b>Financial sustainability</b>	<ul style="list-style-type: none"> <li>• Surviving in uncertain and difficult times</li> <li>• Managing expenditure</li> <li>• Managing restricted versus unrestricted funds</li> </ul>	<ul style="list-style-type: none"> <li>• Use a 'donor' budget to cover long term overhead costs such as maternity/paternity leave</li> <li>• Ensure budgets include ALL costs including administration for Full Cost Recovery contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Plan for payroll dates where dependent on a large grant or contract start date</li> <li>• Consider working collaboratively with others to pool resources</li> <li>• Ask each department to monitor costs and income and to actively seek out efficiencies.</li> </ul>





# Top Risks Seminar Output

Top Risk	What is the risk all about?	Managing the risk	Improving the risk
<b>Fundraising</b>	<ul style="list-style-type: none"> <li>• Increased regulation</li> <li>• Digital and GDPR requirements</li> <li>• Use of third party agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Compare actual income to budgeted figures</li> <li>• Set up a framework for information governance</li> <li>• Robust contract risk management is needed with third parties</li> </ul>	<ul style="list-style-type: none"> <li>• Cut across organisational silos to achieve organisational compliance</li> <li>• Balance immediate trade-offs with longer term trade offs</li> <li>• Diversify the income stream portfolio to reduce over-reliance on single channels</li> </ul>
<b>Health, Safety and Security</b>	<ul style="list-style-type: none"> <li>• Safeguarding</li> <li>• Duty of care</li> </ul>	<ul style="list-style-type: none"> <li>• Training and awareness</li> <li>• Checklists and risk registers</li> <li>• Developing a top down culture of positive values</li> <li>• Clear line of sight/reporting to trustees</li> </ul>	<ul style="list-style-type: none"> <li>• Make the risk auditable</li> <li>• Connect up the operational risks to the strategic risks</li> <li>• Consider reputational damage, public trust and the charity's mission</li> </ul>





# Top Risks Seminar Output

Top Risk	What is the risk all about?	Managing the risk	Improving the risk
<b>Organisational resilience and continuity</b>	<ul style="list-style-type: none"> <li>Protecting resources</li> <li>Being agile and able to change/innovate</li> </ul>	<ul style="list-style-type: none"> <li>Plan now before the crisis occurs</li> <li>Make sure this is on the risk register</li> <li>Inform trustees and SMT of key issues impacting resilience</li> </ul>	<ul style="list-style-type: none"> <li>Share near misses</li> <li>Undertake scenario testing</li> <li>Review plans and policies regularly</li> <li>Make sure you know what your most critical activities are</li> </ul>
<b>Duty of care</b>	<ul style="list-style-type: none"> <li>Protecting people who engage with the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Record on risk register</li> <li>Recognise reputational impact as well as regulatory requirements</li> <li>Consider how you manage volunteers</li> </ul>	<ul style="list-style-type: none"> <li>Connect up the strategic and operational risks</li> <li>Incident logs need to be escalated and reviewed to identify trends and patterns</li> </ul>



# Thank you! And come join us...

If you want to learn more about risk management and how the sector manages it, if you want to share your knowledge and learn from your peers, or if you simply want to keep in touch with what's happening then please join our mailing list where we will ensure that you receive invitations to our events, copies of our publications when launched, and our newsletters.

You can also follow us on [LinkedIn](#) and [Twitter](#).

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- [Charities SIG newsletter \(Summer 2017\)](#)
  - [Charities SIG newsletter \(Winter 2016\)](#)
  - [Risk management for charities: Setting your risk appetite \(February 2017\)](#)
  - [Risk management for charities: Getting better \(February 2017\)](#)
  - [Charities Special Interest Group \(Autumn 2016\) Newsletter](#)
  - ['Setting the risk appetite' flyer](#)
  - ['Setting the risk appetite' PDF](#)
  - [IRM's response to the House of Lords select committee on charities](#)
  - [Charities SIG newsletter \(Summer 2016\)](#)
  - [Charities SIG newsletter \(Spring 2016\)](#)
  - ['Getting Started' presentations](#)
  - [IRM charities discussion forum](#)
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