

### **Appendix 3: MANAGING RISK**

As good practice, all parishes should try to manage the risks to which they are exposed. The largest parishes have a legal obligation to include in their Annual Report a statement “confirming that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks”. The PCC should identify the types of risks that may occur. The following headings will be used:

Governance risks – the skills, competence & organisation of the PCC (Treasurer, organist); confidentiality/ conflict interest/ record keeping

Operational risks – health & safety, employment, child protection, employment, theft, ICT failure, utilities failure

Financial risks – reserves, cashflow, investments, income stability, fraud, misuse of restricted funds, income tax or VAT concerns

External risks – demographic & employment changes, public reputation through PCC activity or in Church School; competition from other churches

Regulatory risks – child protection, data protection, fundraising, disability discrimination, Inland Revenue, equal opportunities.

We are establishing a risk register, identify the highest risks and take action to mitigate these risks.

#### **Risk Register Identified risks**

##### **Governance**

1. Canon law not upheld by preachers and officials of PCC
2. Trustees of PCC have appropriate Business and Leadership Management Skills. (Treasurer, Vicar, Organist)
3. Membership / church going reduces meaning mission is failing
4. Record keeping failures (PCC minutes, Registers, financial records, employment records) and Confidentiality.

##### **Management and operational**

5. Single point failure - key staff illness/ incapacity
6. Technology risk- insecure data, corruption of data, lack of skill in managing technology, technology failure
7. Premises risks- danger to visitors/ occupants, failure listed building /Faculty compliance/ churchyard trees and monuments
8. Off-site building risks
9. Employee risks, grievance/ discipline/ tax compliance/ equal opportunity/ pension / H&S and fire

**Financial**

- 10. PCC budget default due to low giving
- 11. Insurance risk- emergency – (roof lead) not insured, liability insurance)
- 12. Ability to demonstrate value for money through the procurement process
- 13. Fraud risk

**Regulatory**

- 14. Environmental legislation,
- 15. Data protection
- 16. Child and vulnerable adult protection
- 17. Charity commission compliance
- 18. HMRC compliance and equal opportunity, disability access.

**Template**

Category	Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Responsible person	Control and Monitoring procedures	What Action and When	Date of next review