

Risk Policy

Purpose

The purpose of this policy is to provide guidance regarding the management of risk of the Mill of Benholm Enterprise to support its charitable aims and purposes, safeguard the charities assets, ensure financial stability and protect the staff and volunteers of the Mill of Benholm Enterprise.

The policy reflects the Trustee Duties contained in Section 66 of The **Charities and Trustee Investment (Scotland) Act 2005** (the 2005 Act).

All Trustees of the Mill of Benholm Enterprise have a duty to act with care and diligence in the best interests of the Mill of Benholm Enterprise. Trustees will act with a higher level of care than they may do with their own finances and affairs and this will be reflected in the duty of care they exhibit with respect to the assets of the Mill of Benholm Enterprise.

Scope

This policy applies to all the Mill of Benholm Enterprise activities and forms part of the Mill of Benholm Enterprise risk management framework, it applies to all Trustees, employees and volunteers of the Mill of Benholm Enterprise.

Risk management Framework

The following are responsible for aspects of the risk management framework:

The Board of Trustees is responsible for the risk policy, for receiving risk reports, reviewing the reports, approving actions and managing the Risk Management.

The Chair of the Board is responsible for ensuring that risk management is incorporated in the day-to-day activities of the Mill of Benholm Enterprise. The Chair will ensure that all employees and volunteers are continuously improving the risk management policy. Line managers ensure that their staff adhere to the risk management policy and there is a process by which risks identified by staff and volunteers are fed into the risk policy and appropriate revisions, if necessary are made.

Risk Management Process

The Mill of Benholm Enterprise operates a formal risk management process to assess business risks and implement risk management strategies. Steps taken are to identify the types of risks faced, establish the context, analyse and evaluate the risk prioritising them in terms of potential impact and likelihood of occurrence, identifying means of mitigating the risk and monitor and review the risk.

The Mill of Benholm Enterprise has integrated risk management into all governance, financial and operational processes.

The following risk categories are included in the risk register and in risk reporting:

- financial
- governance
- external
- compliance and regulations
- operational
- reputation

Risks identified will be added to the register immediately. The register will be reviewed at each Board meeting and risks that are no longer considered relevant will be removed from the register.

The risk reports for each area of responsibility will be prepared by the Board or delegated to appropriate consultants, these will include details of the risk treatment plans and will be reviewed by the Board, when necessary, but at least once every 6 months. Where a risk is identified that is deemed to be of a critical nature a special meeting of the Board will be convened.

This policy will be reviewed by the Board annually.

Example of a Risk Register Entry

Risk area/risk identified	Unsatisfactory fundraising
Likelihood of occurrence (score)	Probable (4)
Severity of impact (score)	Major (4)
Overall or 'gross' risk	High
Control procedure	Budget reporting by fundraising activity Financial appraisal of new project
Retained or 'net' risk	Medium
Monitoring process	Financial reporting by fundraising activity Quarterly reporting by fundraising manager to trustees
Responsibility	Fundraising Manager / Chief Executive Officer
Further action required	New initiatives to be approved by trustees unless included in current business plan
Date of review	On xxxxx date or next trustee meeting

References

OSCR Trustee Duties - <https://www.oscr.org.uk/managing-a-charity/trustee-duties/>

Institute of Risk Management - <https://www.theirm.org/what-we-say/thought-leadership/charities-and-voluntary-organisations/>

Document version control

Version number	Change update	or	Author owner	or	Date	Signed
1.0	First version		Secretary		December 2023	E. Pollock 06/12/2023
1.1	First Version		Secretary		January 2025	H. Wagner 12/01/2025