

## **POTR Risk Assessment 2024** (approved July 2024, additional “responsible committee” column added September 2024)

### 1) Purpose

The Finance + Admin Committee, with the support of the PCC, will conduct a comprehensive review of the risks that can be reasonably expected to be faced by POTR, assess the likelihood and possible impact of such risks and apply a gross risk factor to them. The final version will be subject to approval by the PCC and will be reviewed on a quarterly basis.

### 2) Definition of “Risk”

For a charity, risk can be defined as, “any event or action that may adversely affect an organisation's ability to achieve its charitable objectives and execute its strategies”.

### 3) Risk Appetite

The PCC need to consider how much risk it wishes to take. This may be different with regard to the church buildings, the work of the parish amongst the population of the parish and the reputation and financial stability of the parish.

### 4) Calculation

#### Gross Risk Column

Gross risk is calculated as follows:

Likelihood on a scale of 1-3

Impact on a scale of 1-3

Calculation: (likelihood x impact) + impact = gross risk

Traffic light colour coding is used, giving a risk scale of (N.B. some values do not occur using this method of calculation):

2, 3, 4 Low

6, 8 Medium

9, 12 High

#### Net Risk After Mitigation Column

For ease of reading, this is indicated by the text colour in the Net Risk After Mitigation column, thus:

Low

Medium

High

## Risk Assessment

No.	Risk	Gross Risk	Responsible Committee	Mitigation	Net Risk After Mitigation
1.	Structural budget deficit	<i>likelihood 3, impact 3 = 12</i>	Finance + Admin	<ul style="list-style-type: none"> <li>Quarterly review of rolling 12 month spend against income by F&amp;A</li> <li>Regular reporting to PCC</li> <li>Propose actions to increase giving: <ul style="list-style-type: none"> <li>PGS</li> <li>Maximise the use of the QRS code and sum-up machines</li> </ul> </li> <li>Focus on reducing/controlling major spending lines not directly supporting mission (eg energy costs)</li> <li>Regulate spending decisions</li> </ul>	<i>High</i>
2.	Clergy well-being	<i>likelihood 3, impact 3 = 12</i>	Staff + Volunteers	<ul style="list-style-type: none"> <li>Regular review by PCC</li> <li>Support to individual clergy by CWs</li> <li>Increased delegation to laity</li> <li>Review of Admin tasks</li> </ul>	<i>High</i>
3.	Safeguarding Incident	<i>likelihood 2, impact 3 = 9</i>	Staff + Volunteers	<ul style="list-style-type: none"> <li>POTR to have a safeguarding lead (currently Sally Kemp)</li> <li>Sufficient support for Safe Guarding lead</li> <li>Regular review of relevant policies and ensure safeguarding policies and procedures are clearly visible on POTR website</li> <li>Regular information sessions to PCCs and congregation on Safeguarding training where appropriate</li> </ul>	<i>High</i>
4.	Spending in excess of budget	<i>likelihood 3, impact 2 = 8</i>	Finance + Admin	<ul style="list-style-type: none"> <li>Regular monitoring of the budget spend against budget by F&amp;A</li> <li>Regular reporting to PCC</li> <li>Clear procedures for spending/authorisation spending</li> <li>Ensure liquid reserves sufficient to cover unbudgeted spend nb a reasonable margin would need to be establish (the current 3 months of spend may be sufficient).</li> </ul>	<i>Medium</i>
5.	Severe damage to a church building	<i>likelihood 2, impact 3 = 9</i>	Exec	<ul style="list-style-type: none"> <li>Maintain insurances at appropriate levels</li> <li>Functioning fabric committees in each church building</li> <li>Regular reporting of each fabric committee to PCC</li> <li>Regular quinquennial reports</li> </ul>	<i>Medium</i>

				<ul style="list-style-type: none"> <li>Parish office to ensure statutory checks are undertaken</li> <li>Ensure secure offline back up of church IT equipment and data</li> </ul>	Medium
6.	IT + equipment failure in parish office	likelihood 2, impact 3 = 9	Vicar + Admin		Medium
7.	Failure to recruit Churchwardens	likelihood 2, impact 3 = 9	Exec	<ul style="list-style-type: none"> <li>Provide clearer information on roles and responsibilities of church wardens</li> <li>Introduce assistant church wardens to whom the CWs can delegate tasks</li> </ul>	Medium
8.	Departure, illness, incapacity or poor performance of key staff.	likelihood 2, impact 3 = 9	Staff + Volunteers	<ul style="list-style-type: none"> <li>Manage staff in line with performance management and employment policies</li> </ul>	Medium
9.	Website failure	likelihood 2, impact 3 = 9	Vicar + Admin	<ul style="list-style-type: none"> <li>Off line backup of website</li> </ul>	Medium
10.	Fraud or theft	likelihood 1, impact 3 = 6	Vicar + Admin	<ul style="list-style-type: none"> <li>Admin team, clergy and CWs aware of process for making spending decisions</li> <li>Admin, clergy and CWs abide by those procedures.</li> </ul>	Medium
11.	Activities of Clergy, ChurchWardens, staff or volunteers bringing POTR into disrepute	likelihood 1, impact 3 = 6	Vicar + Admin	<ul style="list-style-type: none"> <li>Whistleblowing policy? Or procedure – ie who should people speak to in confidence if there is a concern</li> </ul>	Low
12.	Failure of a key provider of banking services.	likelihood 1, impact 3 = 6	Finance + Admin		Low
13.	Inability to meet financial obligations as they fall due.	likelihood 1, impact 3 = 6	Finance + Admin	<ul style="list-style-type: none"> <li>Maintain a minimum cash reserve</li> <li>Investment policy and Reserves policy up to date.</li> </ul>	Low

**Drafted [May 2023]**

Review Date: one year after agreement by PCC