The Lindsay Leg Club Foundation: Risk Management Matrix

Assessment Date: 13 August 2018 Review date: June 2020

PATIENTS COMMUNITY
PRACTICE AND DISTRICT NURSES
LEG CLUB®
www.legclub.org

The Lindsay Leg Club Foundation
CRN 1111259

Notes:

This table will assist in compliance with the Charities (Accounts and Reports) Regulations 2000 which require Trustees to make a statement in the Trustees Annual Report that they have given consideration to the major risks to which the Charity is exposed and have designed systems to mitigate those risks.

In the original register the "Impact" and "Incidence" columns added together should have provided the overall "Risk Score", however in this register RR simplified things so that Impact means "How important is this issue", Incidence whether something has actually happened in the past and "Risk" whether Low, Medium or High. I suggest that medium or high-risk factors should be examined further, and I have provided brief notes at the end of each section. The "Responsibility" column should nominate the appropriate individual or body (for example Chief Executive/Main Board/Finances and general purposes sub-committee) to whom initial responsibility is assigned. All responsibilities of course ultimately rest with the Main Board Trustees.

OBJECTS/MISSION	**Impact**	**Incidence**	**Risk Score**	**Responsibility**
Aims & objectives do not fit with the Articles & Memorandum	High	None	Low	Executive
Activities & future developments restricted by Objects	High	None	Low	Executive
Objects or powers not clearly defined	High	None	Low	Executive
Ethos and Values unclear	High	None	Low	Executive
Note:	To ensure clarity and understanding of the above it is important for the Board to have a regular review by an External Charity Consultant of Charity Governance incorporating a pre tool assessment of the Articles & Memorandum, skill sets and accountability.			

COMPANY & CHARITY LAW & OTHER REGULATIONS	Impact	Incidence	Risk Score	Responsibility
Failure to operate within charitable objects and powers	High	None aware of	Low	Board
Breach of statutory requirements – e.g. new GDPR 2018	High	None aware of	Low	Board
Failure to meet statutory reporting requirements	High	None aware of	Low	Board
Use by Charity Commission of statutory investigatory powers	High	None	Low	Board
Breach of trust over use of restricted or endowed funds	High	None	Low	Board
GOVERNANCE & MANAGEMENT	**Impact**	**Incidence**	**Risk Score**	**Responsibility**
Recruitment policy & procedures not appropriate	Medium	Possibly in the past	Medium	Board & Individual Trustees
Trustees insufficiently aware of the charity's objects and legal powers	Medium	Possible	Medium	Board & Individual Trustees
Terms of Trustee appointments ineffective	Medium	Possible	Medium	Board & Individual Trustees
Board size unwieldy	Medium	Possible	Medium	Board & Individual Trustees
Structure of Trustee body or committees inappropriate	Medium	Possible	Medium	Board & Individual Trustees
Decisions of the Trustees inadequately recorded	Low	None aware of	Medium	Board & Individual Trustees
Board skills insufficient or inappropriate	Medium	Possible	Medium	Board & Individual Trustees
Responsibility of individual Board members not clearly established	Medium	Possible	Medium	Board & Individual Trustees
Lack of Board development	Medium	Possible	Medium	Executive, Board & Individual Trustees
Failure to identify potential conflicts of interest	Low	Yes, in the past	High	Board & Individual Trustees

Board meetings irregular or poorly attended	Medium	Yes, in the past Record maintained	Medium	Board & Individual Trustees
Lack of agenda and timetable for Board activity	Low	Possible	High	Board & Individual Trustees
Trustees role ill-defined	Medium	Possible	Medium	Board & Individual Trustees
Terms of reference of sub-committees insufficiently defined	Medium	Yes, in the past	Medium	Board & Individual Trustees
Reporting of Trustees inadequate	Medium	Yes, in the past	Medium	Board & Individual Trustees
Lack of business and development planning	Medium	Possible	Medium	Board & Individual Trustees
Adequate strategic plans not prepared	Medium	Yes, in the past	Medium	Board & Individual Trustees
Strategic plans lack clarity, structure or measurable targets	Medium	Yes, in the past	Medium	Board & Individual Trustees
Strategic plans not properly implemented	Medium	Yes, in the past	High	Board & Individual Trustees
Progress against strategic plans and actions not monitored	High	Yes, in the past	Medium	Board & Individual Trustees
Charity's policies, rules and standards not formalised or readily available	High	None	Low	Executive
Note:	*Business plan has addressed some of the above issues but formalising roles and responsibilities of trustees remains complex. We do address conflict of interest, as this does come up from time to time.*			

EXTERNAL INFLUENCES	**Impact**	**Incidence**	**Risk**	**Responsibility**
Changes in political climate regarding charity	High	None	Low	Board as a whole
Charity Commission revised definition of charitable activities	High	None	Low	Board as a whole

Changes in charity taxation	High	None	Low	Board as a whole
Revision of VAT regulations	Medium	None	Low	Board as a whole
Change in local authority or central government approach towards charity / NHS	High	None	Low	Board as a whole
Demographics/social changes	Unknown	None	Low	Board as a whole
Decline in public perception of charity	High	None aware of	Low	Board as a whole
Interest rate or inflationary changes	Low	None	Low	Board as a whole
Note: *Much of the above does not present a high charity risk*	*It is the responsibility of the board to reflect and react to changes in the above context.*			

OPERATIONAL PROCESSES	**Impact**	**Incidence**	**Risk**	**Responsibility**
Impact on reputation of events, fraud, accident, media coverage etc	High	None aware of	Medium	Executive
Contractual difficulties with key suppliers or service providers	Low	None aware of	Medium	Executive
Physical security of external consultants / staff / beneficiaries/users	Low	None aware of	Low	Executive
Abuse of external consultants	Medium	None aware of	Low	Executive
Lack of written policies and procedures	Low	None	Low	Executive
No fixed asset registers or facilities management system	Low	Asset register (e.g. laptops)	Low	Executive
Legal title to assets unclear	Low	None aware of	Low	Executive

Inadequate disaster recovery/major incident policies and procedures	Low	Not relevant	Low	Executive
No formal project planning and approval procedures	Medium	None aware of	Low	Executive
Failure adequately to market and attract new supporters	High	Highly probable	High	Board as a whole
Standard of service provision [Healing rates / recurrence]	Medium	Maybe with individual Leg Clubs?	Medium	Board as a whole [Leg Clubs + data adequacy]
Out of date facilities	Low	Maybe with individual Leg Clubs?	Medium	Board as a whole
Competition from other charities	Medium	Yes	Medium	Board as a whole
Incorrect or inaccurate advice given to beneficiaries/the wider public	High	Some possible @ individual Leg Club level	Low	Board as a whole
Breach of contract	Medium	None aware of	Low	Board as a whole
Unclear relationship with trading subsidiary	High	Possibly in the past?	Medium	Board as a whole
Transactions with trading subsidiary* not undertaken at arm's length [* for LLCF purposes, seen as individual Leg Clubs]	High	Possibly in the past	Medium	Board as a whole
Trading subsidiary not properly funded (i.e. individual Leg Clubs, which may be perceived as funded from LLCF, but are in fact stand-alone)	High	Yes, in the past	Medium	Board as a whole

Failure to comply with operational regulations (Data Protection Act, money laundering regulations, fire safety, food standards, health and safety etc.)	Low	DPA –re member details	Low	Board as a whole
Note:	Some of the above relates to the Foundation's relations with individual Leg Clubs (Trading subsidiaries), over which we can have limited influence			

PERSONNEL	**Impact**	**Incidence**	**Risk**	**Responsibility**
Loss of key Trustees	High	None as yet	High	Board as a whole
Dependence on key individuals	High	Yes	High	Board as a whole
Lack of succession planning	High	Yes	High	Board as a whole
No formal organisation structure	High	No	Low	Board as a whole
Poor recruitment procedures for external consultants	Medium	May need to be more formal	Medium	Board as a whole
Failures in external consultants vetting procedures	Low	None aware of	Low	Board as a whole
Poor trustee and external consultant's morale	Medium	Yes	Medium	Board as a whole
External consultants stress or ill-health	Medium	None aware of	Medium	Board as a whole
Difficulties in recruiting and retaining external consultants	Medium	Possibly	Medium	Board as a whole
Loss of key external consultants	Medium	None as yet	Medium	Board as a whole
Inadequate external consultant's appraisal and development	Medium	In the past	Medium	Board as a whole
Lack of formal external consultant's contracts	Medium	No	Medium	Board as a whole
No written job descriptions	High	No	Low	Board as a whole

Inadequate disciplinary or grievance procedures	Medium	No	Low	Board as a whole
Absence of whistle-blowing policy for Trustees & Consultants	Medium	No	Medium	Board as a whole
External consultants lack experience or training	Medium	No	Medium	Board as a whole
Unclear or lack of external consultant's terms and conditions	Low	No	Low	Board as a whole
Failure to operate Equal Opportunities	High	No	Low	Board as a whole
Breaches of employment rights, working time directive, minimum wages etc**. [NB: LLCF does not employ anyone to date]**	High	No	Low	Board as a whole
Directive, minimum wages etc.	High	No	Low	Board as a whole
Poor working practices – discrimination, bullying etc.	High	No	Low	Board as a whole
Inadequate pensions provision for employees	Not relevant	Not relevant	Not relevant	Board as a whole
Note:	*The high risks relate most to dependence on single individuals and succession planning*			

ENVIRONMENTAL	**Impact**	**Incidence**	**Risk**	**Responsibility**
Impact on local environment	Low	No	Low	Board as a whole
Cost of environmental pollution and clearing	Low	No	Low	Board as a whole
Increased regulation regarding waste management (NB:more relevant to safe disposal etc at Leg Clubs)	High	No	Medium	Board as a whole (Leg Clubs)
Failure to obtain planning application consents N/A	Low	No	Low	Board as a whole
Note:	*Most of the above not relevant to us*			

TECHNOLOGICAL	Impact	Incidence	Risk	Responsibility
Failure of key software / hardware	High	In the past	Medium	Board as a whole
Lack of disaster recovery planning	Medium	No	Low	Board as a whole
Obsolescence or withdrawal of support to existing systems	Medium	No	Low	Board as a whole
Contractual or other problems with IT suppliers	Medium	None recorded	Medium	Board as a whole
Poor system access controls	Medium	Needs checking	Medium	Board as a whole
Inadequate user support or training	Medium	Yes	Medium	Board as a whole
Increased need to invest in new technology	Medium	Yes	Medium	Board as a whole
Note:	*Some of this is at medium risk as we need to maintain adequate contracts with our database / web site suppliers and continue to work on the data entry training at Leg Clubs*			
PURCHASING	**Impact**	**Incidence**	**Risk**	**Responsibility**
Weak procurement policies and procedures	Medium	Expense policy	Medium	Board as a whole
Inadequate purchase order authorisation or approval limits	Medium	Remuneration Committee policy	Medium	Board as a whole
Deliveries not matched to purchase orders	Not relevant	Not relevant	Not relevant	Board as a whole
No purchase ledger or centralised procurement function **Ledger maintained for all items purchased and owned by the Foundation**	High	No	Low	Board as a whole
Lack of formal tendering policy	High	Details of contract in-situ	Low	Board as a whole

FINANCIAL	Impact	Incidence	Risk	Responsibility
Weak or ineffective financial controls	High	No	Low	Board as a whole
Systems and controls not operating as intended	High	No	Low	Board as a whole
Written financial procedures, poor or non-existent	High	No	Low	Board as a whole
Inappropriate authorisation and approval process	High	No	Low	Board as a whole
Processes	Medium	No	Low	Board as a whole
Inadequate financial planning and forecasting	Medium	No	Medium	Board as a whole
Income levels inadequate *(see also "New supporters" row within Operational Process section)*	High	No	High	Board as a whole
Loss of one or more LCIP members with the associated loss of subscription income	High	Previously	High	Board as a whole
Capital expenditure plans lacking	High	No	Low	Board as a whole
Charity assets not adequately safeguarded	High	No	Low	Board as a whole
Inappropriate insurance cover	High	No	Low	Board as a whole
Inefficient or ineffective treasury management	High	No	Low	Board as a whole
Inability to meet financial obligations as they fall due	High	No	Low	Board as a whole
No timely financial planning or management information	High	No	Low	Board as a whole
Unprotected exposure to foreign exchange movements	Not relevant	Not relevant	Not relevant	Board as a whole
Lack of financial supervision by Board	High	No	Low	Board as a whole

Statutory accounts not prepared in accordance with legal requirements	High	No	Low	Board as a whole

Qualified Independent Examination report	High	No	Low	Board as a whole
Unplanned tax/PAYE/VAT liabilities	High	No	Low	Board as a whole
Failure to implement auditor's management report recommendations	High	None aware of	Low	Board as a whole
No direct communication lines between audit committee and Trustees	Low	Possibly	Low	Board as a whole
Formal reserves policy not established or infrequently reviewed	Medium	In the past	Medium	Board as a whole
Poor management information systems	Medium	No	Low	Board as a whole
Unauthorised non-charitable trading [NB LLCF is a non-trading entity]	Medium	No	Low	Board as a whole
Note:	*Although finances are well managed possibly the financial responsibility is not sufficiently shared among trustees?*			
INVESTMENT	**Impact**	**Incidence**	**Risk**	**Responsibility**
Lack of formal investment policy approved by Trustees	Medium	No	Low	Board as a whole
Failure to adequately monitor investment manager performance	Not relevant	No	Not relevant	Board as a whole
Stock market turbulence or decline	Not relevant	No	Not relevant	Board as a whole
PAYROLL	**Impact**	**Incidence**	**Risk**	**Responsibility**
Payroll payment processes insecure	High	None aware of	Low	Board as a whole

Fictitious external consultants on payroll	High	None	Low	Board as a whole
Non-compliance with tax legislation	High	None	Low	Board as a whole