



Risk Management Policy

NEXT REVIEW JULY 2024

Risk Management Policy

1. Introduction

The aim of this document is to provide the systems and processes for identifying and managing the possible and probable risks that the International Rotary Fellowship of Healthcare Professionals may face over its working life is a key part of effective governance.

2. Definitions

2.1. What is risk?

"Risk" can be defined as the probability of an event occurring and the outcome or consequences if it does. It is the potential for loss, or the diminished opportunity for gain, which can obstruct the achievement of the Charity's objectives.

2.2. What is risk management?

Risk management is the process of identifying, assessing and managing risks using a variety of methods and tools. By undertaking a risk management process, the International Rotary Fellowship of Healthcare Professionals becomes better prepared when facing risks, working out which we are prepared to accept without mitigation and which we wish to mitigate, usually based on what would be cost-effective.

The process helps to identify strategies to deal with risks and raises awareness of risk within the International Rotary Fellowship of Healthcare Professionals. Importantly, it is a process which is never static; it will develop over time as the charity changes and as key lessons are learned from how risks play out in our organisation. Continual re-examination and improvement are therefore key.

3. Statement of Intent

By managing risk effectively, trustees can help ensure that:

- 3.1. significant risks are known and monitored, enabling trustees to make informed decisions and take timely action;
- 3.2. the fellowship makes the most of opportunities and develops them with the confidence that any risks will be managed;
- 3.3. forward and strategic planning are improved; and
- 3.4. the fellowship aims are achieved more successfully.

The trustees will report regularly (no less than annually) about the actions taken to manage risks, which helps the Fellowship to demonstrate accountability to its stakeholders including beneficiaries, donors, funders and the public.

4. Key principles

There are seven key principles:

- 4.1. Organisational Purpose
- 4.2. Leadership
- 4.3. Integrity
- 4.4. Decision making, risk and control

- 4.5. Board effectiveness
- 4.6. Equality, Diversity and Inclusion
- 4.7. Openness and accountability

We have addressed each of these key principles in more detail in this policy.

5. Principle 1 - Organisational Purpose:

The board is clear about the fellowship aims and ensures that these are being delivered effectively and sustainably. Trustees have a responsibility to understand the environment in which the fellowship is operating and to lead the fellowship in fulfilling its purposes as effectively as possible with the resources available. To do otherwise would be failing beneficiaries, funders, and supporters. The board's core role is a focus on strategy, performance, and assurance.

5.1. Key outcomes

- 5.1.1 The board has a shared understanding of and commitment to the fellowship's purposes and can articulate these clearly.
- 5.1.2 The board can demonstrate that the fellowship is effective in achieving its charitable purposes and agreed outcomes.
- 5.1.3 The organisational purpose of the Fellowship is reviewed by the Board. The Trustees provide minutes that ensures that the fellowship's purpose is relevant and valid. This ensures that the Board is clear about the development of, and agrees, a strategy or plan that aims to achieve the organisation's charitable purposes and is clear about the desired outputs, outcomes, and impacts.
- 5.1.4 The Board does evaluate the fellowship impact, outputs, and outcomes on an ongoing basis.
- 5.1.5 The Trustees will advise the Board on how the monies have been used and the impact of the charitable purposes undertaken.
- 5.1.6 The board regularly reviews the sustainability of its income sources and their impact on achieving charitable purposes in the short, medium, and longer term.
- 5.1.7 Trustees consider the benefits and risks of partnership working, merger or dissolution if other organisations are fulfilling similar charitable purposes more effectively and/or if the fellowship viability is uncertain.
- 5.1.8 The board recognises its broader responsibilities towards communities, stakeholders, wider society and the environment, and acts on them in a manner consistent with the fellowship purposes, values, and available resources.

6. Principle 2 – Leadership:

Every Rotary fellowship is headed by an effective board that provides strategic leadership in line with the fellowship aims and values. Strong and effective leadership helps the fellowship adopt an appropriate strategy for effectively delivering its aims. It also sets the tone for the fellowship, including its vision, values, and reputation

6.1. Key outcomes

- 6.1.1 The board and trustees individually, accept collective responsibility for ensuring that the fellowship has a clear and relevant set of aims and an appropriate strategy for achieving them.
- 6.1.2 The board agrees the fellowship's vision, values and reputation and leads by example, requiring anyone representing the fellowship reflects its values positively.

6.1.3 The board makes sure that the fellowship's values are reflected in all its work, and that the ethos and culture of the organisation underpin the delivery of all activities.

6.2. Leading the fellowship

6.2.1 The board and individual trustees take collective responsibility for its decisions.

6.2.2 The chair provides leadership to the board and takes responsibility for ensuring the board has agreed priorities, appropriate structures, processes, and a productive culture and has trustees who are able to govern well and therefore add value to the fellowship.

6.2.3 The board's functions are formally recorded. There are in the Trust documents, role descriptions that define trustees' responsibilities for all trustees that differentiate clearly between the responsibilities those of the chair and other officer positions and outline how these roles relate to staff or volunteers where they exist.

6.2.4 Where the board has agreed to establish a formally constituted subsidiary organisation/s, it is clear about the rationale, benefits, and risks of these arrangements. The formal relationship between the parent fellowship and each of its subsidiaries is clearly recorded and the parent reviews, at appropriate intervals, whether these arrangements continue to best serve the organisation's charitable purposes. These are codified in the bylaws of the Fellowship.

6.3. Leading by example

6.3.1 The board agrees the values, consistent with the fellowship purpose, it wishes to promote and makes sure that these values underpin all its decisions and the fellowship activities (see also Principle 1).

6.3.2 The board recognises, respects, and welcomes diverse, different and, at times, conflicting trustee views.

6.3.3 The board provides oversight and direction to the fellowship and provides support and constructive challenge to the organisation and where they exist staff and volunteers.

6.4. Commitment

All trustees give sufficient time to the fellowship to carry out their responsibilities effectively. This includes preparing for meetings and sitting on board committees and other governance bodies where needed. The expected time commitment is made clear to trustees before nomination or appointment and again on acceptance of nomination or appointment.

7. Principle 3 – Integrity:

The board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the fellowship's purposes. The board is aware of the significance of the public's confidence and trust in charities. It reflects the fellowship's ethics and values in everything it does. Trustees undertake their duties with this in mind.

Delivering the fellowship purposes for public benefit should be at the heart of everything the board does. This is true even when a board's decision might be unpopular. Everyone who comes into contact with a fellowship should be treated with dignity and respect and feel that they are in a safe and supportive environment.

To achieve this, Board members and trustees should create a culture that supports the fellowship values, adopt behaviours and policies in line with the values and set aside any personal interests or loyalties. The board should understand and address any inappropriate power dynamics to avoid damaging the fellowship reputation, public support for its work and delivery of its aims.

7.1. Key outcomes

- 7.1.1 The board acts in the best interests of the fellowship purposes and its beneficiaries, creating a safe, respectful, and welcoming environment for those who come into contact with it.
 - 7.1.2 The board makes objective decisions about delivering the fellowship purposes. It is not unduly influenced by those who may have special or personal interests. This applies whether board members and trustees are elected, nominated, or appointed. Collectively, the board and trustees are independent in its decision making.
 - 7.1.3 No one person or group has undue power or influence in the fellowship. The board recognises how individual or organisational power can affect dealings with others.
 - 7.1.4 The board safeguards and promotes the fellowship reputation by living its values and by extension promotes public confidence in the wider sector.
 - 7.1.5 Trustees and those working for or representing the fellowship are seen to act with honesty, trustworthiness, and care, and support its values.
- 7.2. Upholding the fellowship values
- 7.2.1 The Trustees ensure that all of its decisions and actions are consistent with the fellowship values and report their decisions to the Board.
 - 7.2.2 Trustees regularly check whether there are inappropriate power imbalances in the board. Where necessary, they address any potential abuse of power to uphold the fellowship purpose, values and public benefit.
 - 7.2.3 Trustees adopt and follow a suitable code of conduct that reflects the fellowship values and sets out expected standards of ethics, probity and behaviour.
 - 7.2.4 The board considers how the fellowship is seen by the people and organisations who are involved in its work and by the wider public.
 - 7.2.5 The board ensures that the fellowship follows the law.
- 7.3. Ensuring the right to be safe
- 7.3.1 Trustees understand their safeguarding responsibilities and meet the legal minimum to promote a culture in which everyone feels safe and respected. The Fellowship follows the principles laid down in the dignity policy produced by Rotary in GB and Ireland.
 - 7.3.2 The board understands how real and perceived conflicts of interests and conflicts of loyalty can affect a fellowship performance and reputation.
 - 7.3.3 Trustees disclose any actual or potential conflicts to the board and deal with these in line with the fellowship governing document and a regularly reviewed conflicts of interest policy.
 - 7.3.4 Registers of interests, hospitality and gifts are kept and made available if required.
 - 7.3.5 Trustees keep their independence and tell the board if they feel influenced by any interest or may be perceived as being influenced or to having a conflict.

8. Principle 4. Decision making, risk and control

The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control and risk-assessment, and management systems are set up and monitored.

The board is ultimately responsible for the decisions and actions of the fellowship, but it cannot and should not do everything. The board may be required by statute or the fellowship governing

document to make certain decisions but, beyond this, it needs to decide which other matters it will make decisions about and which it can and will delegate.

Trustees delegate authority but not ultimate responsibility, so the board needs to implement suitable financial and related controls and reporting arrangements to make sure it oversees these delegated matters. Trustees must also identify and assess risks and opportunities for the organisation and decide how best to deal with them, including assessing whether they are manageable or worth taking.

8.1. Key outcomes

8.1.1 The board is clear that its main focus is on strategy, performance and assurance, rather than operational matters, and reflects this in what it delegates.

8.1.2 The board has a sound decision-making and monitoring framework which helps the organisation deliver its charitable purposes. It is aware of the range of financial and non-financial risks it needs to monitor and manage.

8.1.3 The board promotes a culture of sound management of resources but also understands that being over-cautious and risk averse can itself be a risk and hinder innovation.

8.1.4 Where aspects of the board's role are delegated to committees, the board keeps responsibility and oversight.

8.2. Delegation and control

8.2.1 The board regularly reviews which matters are reserved to the board and which can be delegated. It collectively exercises the powers of delegation to committees or individual trustees, or staff and volunteers if the fellowship has them.

8.2.2 The board has delegated the Trustees to manage how the funds raised for specific events are used but requires the Trustees to report regularly back to the Board on how the monies have been used, outcomes and any issues.

8.2.3 The board makes sure that its committees have suitable terms of reference and membership and that: the terms of reference are reviewed regularly, and the committee membership is refreshed regularly and does not rely too much on particular people and committee members recognise that the board has ultimate responsibility.

8.2.4 Where a third party suppliers or services is used – for example for fundraising, data management or other purposes – the board assures itself that this work is carried out in the interests of the fellowship and in line with its values and the agreement between the fellowship and supplier. A memorandum of understanding is done which highlights the key aspects.

8.2.5 The board makes sure that such agreements are regularly reviewed to make sure they are still appropriate.

8.2.6 The board regularly checks the fellowship key policies and procedures to ensure make sure that they still support, and are adequate for, the delivery of the fellowship aims. This includes: policies and procedures dealing with board strategies, functions and responsibilities, finances key areas of activity such as fundraising and data protection.

8.3. Managing and monitoring organisational performance

8.3.1 The board makes sure that operational plans and budgets are in line with the fellowship purposes, strategic aims and resources.

8.3.2 The board regularly monitors performance using a consistent framework and checks performance against the fellowship strategic aims, operational plans and budgets.

8.3.3 The board agrees what information is needed to assess delivery against agreed plans, outcomes and timescales. Trustees share timely, relevant and accurate information in an easy to understand format.

8.4. Actively managing risks

8.4.1 The board retains overall responsibility for risk management and discusses and decides the level of risk it is prepared to accept for specific and combined risks.

8.4.2 The board regularly reviews the fellowship's specific significant risks and the effect of these risks added together. It makes plans to mitigate and manage these risks appropriately. Trustees consider risk that relates to the projects that they are undertaking

8.4.3 The board puts in place and regularly checks the fellowship process for identifying, prioritising, escalating and managing risks and, where applicable, the fellowship system of internal controls to manage these risks. The board reviews the effectiveness of the fellowship approach to risk at least every year. The Trustees submit an annual report to the board describes the fellowship approach to risk in its annual report and in line with regulatory requirements.

8.5. Appointing external examiners or auditors

The board agrees and oversees an effective process for appointing and reviewing its external examiners or auditors if they are required.

9. Principle 5. Board effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

The board has a key impact on whether a fellowship thrives. The tone the board sets through its leadership, behaviour, culture and overall performance is critical to the fellowship's success. It is important to have a rigorous approach to trustee recruitment, performance and development, and to the board's conduct. In an effective team, board members feel it is safe to suggest, question and challenge ideas and address, rather than avoid, difficult topics.

9.1. Key outcomes

9.1.1 The board's culture, behaviours and processes help it to be effective; this includes accepting and resolving challenges or different views.

9.1.2 All trustees have appropriate skills and knowledge of the fellowship and can give enough time to be effective in their role.

9.1.3 The chair enables the board to work as an effective team by developing strong working relationships between members of the board and creates a culture where differences are aired and resolved.

9.1.4 The board takes decisions collectively and confidently. Once decisions are made the board unites behind them and accepts them as binding.

9.2. Working as an effective team

9.2.1 The board meets as often as it needs to be effective.

9.2.2 The chair, working with board members and where they exist staff, plans the board's work and meetings, making sure trustees have the information, time and space they need to explore key issues and reach well-considered decisions.

9.2.3 The board regularly discusses its effectiveness and its ability to work together as a team, including individuals' motivations and expectations about behaviours. Trustees take time

to understand each other's motivations to build trust within the board and the chair asks for feedback on how to foster an environment where trustees can constructively challenge each other.

9.2.4 Where significant differences of opinion arise, the Board and trustees take time to consider the range of perspectives and outcomes, respecting all viewpoints and the value of compromise. The board collectively can get independent, professional advice in areas such as governance, the law and finance. This is either on a pro-bono basis or at the fellowship expense if needed for the board to discharge its duties.

9.3. Reviewing the board's composition

9.3.1 The board has, and regularly considers, the skills, knowledge and experience it needs to govern, lead and deliver the fellowship purposes effectively. It reflects this mix in its trustee appointments, balancing the need for continuity with the need to refresh the board.

9.3.2 The board is big enough that the needs of the fellowship work can be carried out and changes to the board's composition can be managed without too much disruption. A board of at least five but no more than twelve is typically considered good practice.

9.4. Overseeing appointments

9.4.1 There is a formal, rigorous and transparent procedure to appoint new trustees to the board,

9.4.2 The search for new trustees is carried out, and appointments or nominations for election are made, on merit, against objective criteria and considering the benefits of diversity. The board regularly looks at what skills it has and needs, and this affects how new trustees are found.

9.4.3 Trustees are appointed for an agreed length of time, subject to any applicable constitutional or statutory provisions relating to election and re-election. If a trustee has served for more than nine years, their reappointment is

(a) subject to a particularly rigorous review and takes into account the need for progressive refreshing of the board; and

(b) explained in the trustees' annual report.

9.4.4 If a fellowship governing document provides for one or more trustees to be nominated and elected by a wider membership, or elected by a wider membership after nomination or recommendation by the board, the fellowship supports the members to play an informed role in these processes.

9.5. Developing the board and the trustees

9.5.1 Trustees and Board members receive an appropriately resourced induction when they join that includes meetings with other members and staff (if the fellowship has staff) and covers all areas of the fellowship work.

9.5.2 The board reviews its own performance, including that of the chair. These reviews might consider the board's balance of skills, experience and knowledge, its diversity, how the board works together and other factors that affect its effectiveness.

9.5.3 Trustees can explain how they check their own performance.

10. Principle 6. Equality, diversity and inclusion

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's charitable purposes.

Addressing equality, diversity and inclusion helps a board to make better decisions. This requires commitment, but it means that the fellowship is more likely to stay relevant to those it serves and to deliver its public benefit. Recognising and countering any imbalances in power, perspectives and opportunities in the fellowship, and in the attitudes and behaviour of trustees, staff and volunteers, helps to make sure that a fellowship achieves its aims. All trustees have the same responsibility for the fellowship, so they must have equal opportunity to contribute to decision making.

Board diversity, in the widest sense, is important because it creates more balanced decision making. Where appropriate, this includes and centres the communities and people the fellowship serves. This increases the fellowship legitimacy and impact.

Equality and diversity are only effective and sustainable if the board works to be inclusive, ensuring that all trustees are welcomed, valued and able to contribute. Boards that commit to equality, diversity and inclusion are more likely to set a positive example and tone for the fellowship by following an appropriate strategy for delivering its purpose and setting inclusive values and culture.

10.1. Key outcomes

10.1.1 The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the fellowship public benefit.

10.1.2 Obstacles to participation are reduced, with the organisation's work designed and open for everyone included within its charitable purposes. This supports the fellowship to challenge inequality and achieve improved equality of outcomes.

10.1.3 The board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries.

10.2. Assessing understanding of systems and culture

10.2.1 The board analyses and can define how equality, diversity and inclusion are important for the fellowship, its context and the delivery of its aims.

10.2.2 The board assesses its own understanding of equality, diversity and inclusion. It considers how this happens in the fellowship and identifies any gaps in understanding which could be filled by discussion, learning, research or information.

10.2.3 The board regularly assesses its own practice including:

- (a) the diversity of trustees' backgrounds and perspectives in its regular board skills audit to identify imbalances and gaps;
- (b) any bias in trustee recruitment and selection;
- (c) where applicable, how the communities and people that the fellowship serves are included and centred in decision making;
- (d) how meetings and board information can be made more accessible and how to provide resources to support this;
- (e) how to create a meeting environment in which behaving inclusively is the norm, all voices are equal, and trustees can constructively challenge each other; and
- (f) how the board demonstrates inclusive behaviours in its decision making and how it engages with staff (where they exist), volunteers, members, service users and beneficiaries.

10.3. Setting context-specific and realistic plans and targets

10.3.1 The board sets a clear organisational approach to equality, diversity and inclusion in line with the fellowship aims, strategy, culture and values. This is supported by appropriate plans, policies, milestones, targets and timelines.

10.3.2 The board uses the findings from its assessments to make context-specific and regularly reviewed plans and targets for:

- (a) equality, diversity and inclusion training for board members;
- (b) inclusive boardroom culture, practices and behaviours;
- (c) removing, reducing and preventing obstacles to people being trustees;
- (d) attracting a diverse group of candidates for new trustee roles and providing an inclusive induction for new trustees;
- (e) recruiting a diverse board that addresses imbalances and any gaps that have been found; and
- (f) promoting inclusive behaviours and cultures to the wider organisation.

10.4. Taking action and monitoring performance

10.4.1 The board ensures that there are appropriate arrangements and resources in place to monitor and achieve the organisation's equality, diversity and inclusion plans and targets, including those relating to the board.

10.4.2 The board creates and maintains inclusive cultures, practices and behaviours in all its decision making. It promotes and demonstrates inclusive behaviours and cultures to the wider organisation.

10.4.3 The board regularly monitors and actively implements its plans and targets established

10.4.4 The board leads the organisation's progress towards achieving its equality, diversity and inclusion plans and targets and discusses updates on this.

10.4.5 The board periodically takes part in learning and/or reflection about equality, diversity and inclusion and understands its responsibilities in this area. It acts on any gaps in its understanding and looks at how board practice, culture and behaviour are affected by these gaps.

10.5. Publishing performance information and learning

The board regularly publishes its plans to tackle any organisational or board inequalities and gaps that have been identified.

11. Principle 7. Openness and accountability

The board leads the organisation in being transparent and accountable. The fellowship is open in its work, unless there is good reason for it not to be.

The public trust that the fellowship is delivering public benefit is fundamental to its reputation and success, and by extension, the success of the wider sector. Making accountability real, through genuine and open two-way communication that celebrates successes and demonstrates willingness to learn from mistakes, helps to build this trust and confidence and earn legitimacy.

11.1. Key outcomes

11.1.1 The organisation's work and impact are appreciated by all its stakeholders.

11.1.2 The board ensures that the fellowship performance and interaction with its stakeholders are guided by the values, ethics and culture put in place by the board. Trustees make sure that the fellowship collaborates with stakeholders to promote ethical conduct.

11.1.3 The fellowship takes seriously its responsibility for building public trust and confidence in its work.

11.1.4 The fellowship is seen to have legitimacy in representing its beneficiaries and stakeholders.

11.2. Communicating and consulting effectively with stakeholders

11.2.1 The board identifies the key stakeholders with an interest in the fellowship work. These might include users or beneficiaries, staff, volunteers, members, donors, suppliers, local communities and others.

11.2.2 The board makes sure that there is a strategy for regular and effective communication with these stakeholders about the fellowship purposes, values, work and achievements, including information that enables them to measure the fellowship success in achieving its purposes.

11.2.3 As part of this strategy, the board thinks about how to communicate how the fellowship is governed, who the trustees are and the decisions they make.

11.2.4 The board ensures that stakeholders have an opportunity to hold the board to account through agreed processes and routes, for example question and answer sessions.

11.2.5 The board makes sure it speaks to stakeholders about significant changes to the fellowship services or policies.

11.3. Developing a culture of openness within the fellowship

11.3.1 The board gets regular reports on the positive and negative feedback and complaints given to the fellowship. It demonstrates that it learns from mistakes and uses this learning to improve performance and internal decision making.

11.3.2 The board makes sure that there is a transparent, well-publicised effective, and timely process for making and handling a complaint, and that any internal or external complaints are handled constructively, impartially and effectively.

11.3.3 The board keeps a register of interests for trustees and agrees an approach for how these are communicated publicly.

11.3.4 In charities where trustees are appointed by an organisational membership wider than the trustees, the board makes sure that the fellowship:

- (a) has clear policies on who can be a member of the fellowship;
- (b) has clear, accurate and up-to-date membership records;
- (c) tells members about the fellowship work;
- (d) looks for, values and takes into account members' views on key issues; and
- (e) is clear and open about the ways that members can participate in the fellowship governance, including, where applicable, serving on committees or being elected as trustees.

12. Review

This policy will be reviewed on at least an annual basis.

13. References

Charity Governance Code, Accessed July 2023 Available at

<https://www.charitygovernancecode.org/>