Seas Your Future Risk Management Policy

The Charity Commission's publication CC26 Charities and Risk Management recommends a policy of regular review and assessment of risks faced by charities in all areas of their work, both strategic and operational and to plan for the management of those risks.

Seas Your Future (the Charity) shall assess and record risk on the basis that a risk is identified as any event that is likely to adversely affect the ability of the Charity to protect its employees and operations and to achieve its defined objectives. The charity's policy is to identify, actively manage and minimise risk recognising that not all risks can be eliminated.

The Charity Risk Register is reviewed at every meeting of the Trustee Board and maintained in the charity's digital files. Review identifies ongoing risks and risk management actions and contributes to the annual audit and the budget planning process.

A supporting risk register and management plan shall also be produced for TS Pelican of London, and also used on other vessels which may be sailed by the charity for its clients. This register and plan shall exist in addition to the Charity Risk Register and established using the same policies, principles and procedures. This register will be maintained in the Ship Safety Management System.

A risk assessment shall be conducted for individual voyages prior to committing the Charity to the voyage and/or setting the price for such voyages.

1.1 Risk Management Responsibilities

Risk management activities shall be coordinated by the Charity's Development and Partnerships Manager (DPM) with assistance as necessary. The DPM will maintain the Charity Risk Register and include Risk Management as a standing item on the agenda of all meetings of the charity's Governance & Finance Sub-committee and reported to Full Trustee Meetings, such that risk is continually under review. The DPM will recommend risk assessment and quantification to the Trustees for approval at these meetings.

In addition, the DPM will use the quantification assessment to inform the annual budget with mitigation costs and appropriate provision for risk occurrence.

The Trustees are responsible for remaining aware of all major risks and approving the Charity Risk Register recommendations as required.

1.2 Risk Identification and Categorisation

1.2.1 Identification

Risks can be raised by anyone. This can be as a result of original thought, observation, change in legal requirement or input from a third party. All risks will be recorded in the Charity Risk Register for subsequent categorisation and assessment.

1.2.2 Categorisation

Categorisation is a useful way of considering risk to avoid duplication and omission. The following categories will be used in the Charity's categorisation process:

- Governance
- Operations
- Finances
- Environmental or external factors such as public opinion or relationship with funders
- Law or regulation compliance

A. Risk Assessment

Risks will be rated in terms of the likelihood of occurrence and the impact of the risk occurred. A combination of these factors will be used to provide a priority score so that actions can be assigned against a defined date and risks can be mitigated to a suitable and agreed level.

1.2.3 Risk Impact

The following examples of impact on service or reputation will be used to assess the general impact of risks. However, it should be noted that quantification must also consider impact in terms of cost and programme delay (see later section on Quantification).

Descriptor	Score	Impact on service and reputation
Insignificant	1	• no impact on service • no impact on reputation • complaint unlikely • litigation risk remote
Minor	2	• slight impact on service • slight impact on reputation • complaint possible • litigation possible
Moderate	3	• some service disruption • potential for adverse publicity - avoidable with careful handling • complaint probable • litigation probable
Major	4	• service disrupted • adverse publicity not avoidable (local media) • complaint probable • litigation probable
Extreme/ Catastrophic	5	• service interrupted for significant time • major adverse publicity not avoidable (national media) • major litigation expected • resignation of senior management and board • loss of beneficiary confidence

1.2.4 Risk Probability

The following examples will be used to assess the probability of occurrence. These scores will be used in conjunction with the impact score to assess the severity (priority) of the risk.

Descriptor	Score	Example
Remote	1	may only occur in exceptional circumstances
Unlikely	2	expected to occur in a few circumstances
Possible	3	expected to occur in some circumstances
Probable	4	expected to occur in many circumstances
Highly probable	5	expected to occur frequently and in most circumstances

1.2.5 Risk Severity

The risk severity chart below assesses risk by increasing the weighting of impact, thus giving extra emphasis to impact. The formula multiplies impact with likelihood then adds a weighting again for impact. This works on a scoring of (xy+y) where x is likelihood and y is impact. It should be remembered that risk scoring often involves a degree of judgement or subjectivity. Where data or information on past events or patterns is available, it should be used to enable more evidence-based judgements.

The colour codes are:

> **Red** - major or extreme/catastrophic risks that score 15 or more
> **Yellow** - moderate or major risks that score between 8 and 14
> **Blue** or **green** - minor or insignificant risks scoring 7 or less

All risks in the RED or YELLOW areas shall have a separate risk sheet raised. The sheet will record all impact in terms of cost and programme delay, recommended and approved mitigation actions, cost of mitigation and remaining impact post-mitigation.

Risk Severity Chart

LIKELIHOOD	IMPACT			
Very High (4)	4	8	12	16
High (3)	3	6	9	12
Medium (2)	2	4	6	8
Low (1)	1	2	3	4
	Low (1)	Medium (2)	High (3)	Very High (4)

Risk Score	Rating
0 – 3	Low
4 – 6	Medium
6 – 9	High
10 – 16	Very High

B. Risk Quantification

The impact of all RED and YELLOW risks will be quantified as part of their individual assessment. Quantification will concentrate on the financial and programme impact and the potential cost of mitigation. Where risks can be mitigated the cost of mitigation must be considered against the cost of the risk occurring to ensure value for money is maintained. Mitigation can be a reduction in impact, probability or both, the aim being to reduce all risks to the BLUE or GREEN area.

Individual assessment sheets will be maintained in the risk register to record the history of recommendations and approvals.

Subordinate risk registers will 'roll up' impact and probability to a single entry in the Charity Risk Register maintained by the DPM.

Policy Version Control

Policy area	**Periodic Review**	**Last Review date**	**Board Approval date**	**Next review date**	**Notes**
Risk Management	Two years	March 2023	August 2023	March 2025	