PENRITH AND NORTH LAKES U3A
RISK MANAGEMENT POLICY
Governance and operational risk

1 Purpose

The purpose of this policy is to establish a framework for identifying, assessing, prioritizing, and managing governance and operational risks, and to mitigate these risks and protect the Charity and its beneficiaries.

2 Scope

Relevant to all u3a committee members/trustees

3 Introduction

Risk management is the process of identifying, evaluating, and controlling risks, and is an important part of future-proofing our u3a. Anything that could potentially stop our u3a from achieving its aims should be seen as a risk. Identifying and understanding these risks will help us put the right measures in place to prevent them from happening. The aim is not to eliminate all risks entirely (this would be very difficult and not cost effective), but rather to reduce the risk to a level that our u3a is comfortable with.

4 Identifying the risks

The first step is to identify possible risks in the different areas of our u3a.The Charity Commission suggest (CC26) that we review risk under the following headings as a framework:

- **Governance risk**: In order to run our u3a, the committee should have the right skills for the role (either through prior experience or developed through mentorship and training with previous members in the role). Without a skilled committee (or a committee willing to learn), our u3a is at risk. This includes understanding trustee responsibility.
- **Financial risk:** This may have an impact on our ability to achieve our financial obligations. These risks include the risk of fraud through transferring physical cash to a bank account, or theft.
- **External risk**: This includes the reputation of our u3a, and any threat to the name or standing of our u3a (and the wider movement's reputation). It may be caused by our members (past and present), or committee members. Changes to government policy may also impact our u3a's ability to operate successfully.
- **Operational risk:** This is a threat to our u3a caused by a breakdown in internal procedures. This risk may come from our committee not having the policies and procedures in place to run the u3a effectively.

- **Regulatory and compliance risk:** This refers to the risk of failing to comply with legislation. Following the u3a guidance and advice documents on the national website will help compliance with reporting rules and charity legislation can help prevent our u3a from falling foul of regulations (and reputational damage)

5 Risk management cycle

Risk is usually managed by means of a cycle of identification, quantification, management and review.

• Identification. Identify the various risks that may materialise.
• Quantifying. Assess and quantify these risks.
• Managing. Take appropriate action to manage these risks. Risks can be managed as follows: 1. Avoidance. Action that can be taken to avoid a risk occurring. 2. Mitigation. Action that can be taken to reduce the impact a risk may have, if it occurs. 3. Accepting. Risk cannot be eliminated entirely, and any steps taken to manage risk must be reasonable, as resources are limited in terms of money and time. Equally, adopting a purely risk-averse approach might limit opportunity.
• Reviewing. Risks should be reviewed as regularly as is necessary, depending on their likely probability and impact in the light of changing circumstances. This may be done on an ongoing basis at regular meetings but also annually before the AGM.

6 Responsibilities

The Trustees of Penrith and North lakes u3a have overall responsibility for ensuring that there is an appropriate system of controls, financial and otherwise in place and working effectively. The systems of financial control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. These include: a Finance Policy together with financial management guidance in the Group Convenors' Handbook, and regular updated accounts at the two monthly meetings of the committee of Trustees. A qualified and independent accountant examines the accounts annually.

7 Risk identification and assessment

The governance and operational risks will be identified through regular risk assessments conducted at least annually. Identified risks will be assessed based on likelihood and impact to determine the level of risk. Risks will be categorized as strategic, operational, financial, or compliance related. Risk Mitigation and Management Strategies for risk mitigation will be developed for high-priority risks and designated to individuals to take forward, as appropriate. Regular monitoring and reporting on the progress of risk mitigation plans will be conducted by Trustees. See also the Third Age Trust document "Risk Management Guidance for Committees".

8 Reporting and communication

In its Annual Report, the Trustees of Penrith and North Lakes u3a will report on any significant risks to the organisation and any mitigating actions taken, to demonstrate the Charity's accountability. There will also be relevant communication with Group Convenors at their annual meeting.

Based partly on the Third Age Trust 2023 document “Risk Management Guidance for Committees”

J.Dunlop

Approved by PNLu3a Committee on 12th May 2026