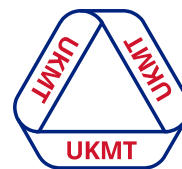


Risk Management Policy



United Kingdom
Mathematics Trust

1. Introduction

- a. Trustees, volunteers and staff handle risk as an everyday part of UKMT's work. Risk is often seen as going hand in hand with the rewards and opportunities of advancing our work. This policy provides information about how UKMT defines, manages, and reports on risks.
- b. "Risk" is used in this guidance to describe the uncertainty surrounding events and their outcomes that may have a significant effect, either enhancing or inhibiting:
 - i. operational performance;
 - ii. achievement of aims and objectives;
 - iii. meeting expectations of stakeholders.
- c. Responsibility for the management and control of UKMT rests with its trustees, and therefore their involvement in the key aspects of the risk management process is essential, particularly in setting the parameters of the process and reviewing and considering the results.
- d. UKMT is by law required to make a risk management statement in the trustees' annual report confirming that '...the charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.' The statement needs to acknowledge the trustees' responsibility; provide an overview of the risk identification process; indicate that major risks identified have been reviewed or assessed; and confirm that systems have been established to manage those risks. This Risk Management Policy complements the statement in the audited accounts.
- e. Major risks are those risks that have a major impact and a probable or highly probable likelihood of occurring. If they occurred they would have a major impact on some or all of the following areas:
 - i. Governance;
 - ii. Operations;
 - iii. Finances;
 - iv. External factors;
 - v. Compliance with law or regulation.
- f. Any of these major risks and potential impacts could change the way trustees, volunteers or beneficiaries might deal with UKMT.

2. Risk Management Process

- a. All trustees, volunteers, and members of staff are involved with and responsible for the active management of risk.
- b. New risks identified should be brought immediately to the attention of the relevant committee. New risks will be fully assessed at the next relevant meeting for their appropriateness as a risk as well as the risk's category, level, and any action required. The risk will be added to the Risk Register if appropriate.

3. Risk Register

- a. The risk level is comprised of two factors: the risk likelihood (score of 1 to 5) and the risk action (score 1 to 5).
 - i. The **risk likelihood** is a score that gives some indication of how likely the risk is to happen. So for a risk that is almost certainly going to happen a score of 5 would be given. For a risk that is extremely unlikely to happen a score of 1 is given
 - ii. The **risk impact** is a score that gives some indication that, if the risk were to happen, how would this affect the running of a charity. So for a risk that would effectively shut down the charity a score of 5 would be given. For a risk that would be a bit inconvenient and mean a bit of work by staff or volunteers, an impact score of 1 would be given.
- b. The risk level is then the product of the two scores. So a likelihood of 4 and an impact of 5 would result in a risk level of 20.
- c. The risks are then given bands in the following way:
 - i. A risk of 1 – 9 is considered to be green;
 - ii. A risk of 10 – 18 is considered to be amber;
 - iii. A risk of 19 to 25 is considered to be red.
- d. The higher the banding the more attention the risk should be given.
- e. For each risk a prescribed action method is assigned. This can be one of the following:
 - i. **Transfer** - the risk is fully transferred or shared with a third party (e.g. insurance, outsourcing);
 - ii. **Avoid** - the activity giving rise to the risk is completely avoided (e.g. a potential grant or contract not taken up);
 - iii. **Mitigate** - the risk is mitigated or managed by implemented some other process (e.g. implementing a business continuity policy);
 - iv. **Accept** - the risk is accepted (e.g. assessed as an inherent risk that cannot be avoided if the activity is to continue).
- f. The Risk Register will be maintained by the Executive Director.