

Ghar Parau Foundation – Risk Management

Organisation description

The GPF is dedicated to providing grants to caving expeditions. We only fund British cavers on trips outside the British Isles. Typically, each year we distribute about £1,500 of our own funds and £6,000 of funds donated to us by the British Caving Association. Our own funds come from the return on investment of a capital fund of around £100,000. This fund was established in 1974 and is made up of donations from UK caving expeditions since then, along with the results of fund raising activities. The organisation is staffed entirely by volunteers and our application and decision making processes are highly streamlined by use of a web interface for applicants and trustees. Grants never exceed 10% of the total budget of any expedition we fund. GPF owns no property and provides no services other than one-off financial contributions. The Management Committee has ten members comprising four trustees, four elected members and two representatives appointed by external associated bodies.

Risk management principles

The GPF takes no responsibility for the organisation of any of the trips it provides grants to. This risk management document addresses the financial, organisational and procedural risk for the GPF as a small grant giving charity. It does not address the safety risks associated with expedition caving: each expedition is expected to make their own assessment in this regard.

As a very small charity with no paid staff, it is necessary to simplify the risk management process as much as possible. To that end the risk register is qualitative only and uses only three levels for gauging risk from the identified hazard. The following table describes the approach.

Severity / Frequency	Unlikely	Occasional	Frequent/ongoing
Minor	Low	Low	Low
Moderate	Low	Medium	Medium
Severe	Medium	High	High

Risk policy statement

GPF aims to be a small, efficient, low cost charity. We seek to take a low risk approach so as to minimise the administrative work and volunteer effort required to ensure that 100% of our income is used for the benefit of applicants.

Review dates

Last reviewed:	August 2019
Next review due by:	April 2020

Responsibilities

The permanent trustees, led by the Hon. Secretary, are responsible for reviewing this document at least once a year.

Risk register

ID No.	Hazard	Severity	Frequency	Priority	Mitigation
1.	Governance				
1.1	The charity lacks direction, strategy and forward planning	Severe	Unlikely	Medium	The Management Committee has a good balance of experience, current knowledge and external oversight. There is a regular turnover of elected members.
1.2	Trustee body lacks relevant skills or commitment	Severe	Unlikely	Medium	The trustees have long standing business and volunteer experience. Our contacts with the BCA and BCRA give access to a wide pool of expertise when required.
1.3	Trustee body dominated by one or two individuals, or by connected individuals	Moderate	Occasional	Medium	Our standing orders contain a clear voting structure. The online evaluation system means that all members of the Management Committee make comments without interference by other members. Our meetings are minuted and all comments recorded to ensure a high level of transparency in all decision making.

1.4	Trustees are benefiting from charity	Minor	Occasional	Low	Grant allocations are for relatively small amounts and are further diluted by being only a small proportion of any expedition budget.
1.5	Conflicts of interest	Minor	Occasional	Low	Standing orders require members of the Management Committee to declare if they have an interest in any application. They are then barred from involvement in discussions about that application.
1.6	Ineffective organisational structure	Minor	Unlikely	Low	We are a very small organisation with a flat management structure. Being entirely staffed by volunteers means those who have insufficient commitment quickly lose interest and are replaced.
1.7	Activities potentially outside objects, powers or terms of gift (restricted funds)	Minor	Unlikely	Low	We have a clear set of judgement criteria. Having only a simple set of objectives means that there is no confusion about how gifted funds will be used.

1.8	Loss of key staff	Minor	Occasional	Low	<p>We have no paid staff.</p> <p>Loss of specific volunteers is compensated for by having a fairly large Management Committee.</p> <p>Standing orders allow for the appointment of new members without major difficulty.</p> <p>Our online interface is written in open source code so maintenance can be taken on by anyone with suitable experience.</p>
1.9	Reporting to trustees (accuracy, timeliness and relevance)	Minor	Ongoing	Low	<p>Trustees attend all Management Committee meetings (and can be removed if they miss meetings without good reason).</p> <p>Comprehensive minutes of all meetings are made and are available to the trustees via our online interface.</p>
2.	Operational				
2.1	Competition from similar organisations	Minor	Unlikely	Low	<p>There is no competition between bodies in this funding sector. We collaborate with the equivalent body for mountaineers (The Mount Everest Foundation).</p>

2.2	Fund-raising	Moderate	Ongoing	Medium	<p>The caving community is fairly small so we have a limited number of people with a direct interest in/knowledge of our purposes.</p> <p>Volunteer fatigue is a problem so we try to have a varied programme of fund raising activities.</p>
2.3	Volunteers	Moderate	Occasional	Medium	<p>Finding replacement trustees and committee members can be a problem. Ensuring we have a visible presence at appropriate events helps.</p> <p>We require all beneficiaries of GPF funding to make it clear that they have had our support in any reports or presentations so that potential volunteers know who we are and what we do..</p>
2.4	Health, safety and environment	Minor	Unlikely	Low	<p>GPF is purely an administrative body so our health and safety risks are only those associated with clerical work.</p> <p>Applicant expeditions are responsible for their own safety.</p>

2.5	Disaster recovery and planning	Moderate	Occasional	Medium	<p>We have no office – meetings can be held anywhere.</p> <p>We have no equipment or other fixed assets.</p> <p>Website is housed on a secure independent server with off-site back up.</p> <p>We are indemnified to a limit of £5m via the BCA’s national Public Liability scheme</p>
2.6	Procedural and systems documentation	Moderate	Occasional	Medium	<p>We operate to an agreed set of standing orders.</p> <p>The grant application and award process is closely controlled by the online application and assessment procedure. This is reviewed annually.</p>
2.7	Information technology	Moderate	Occasional	Medium	<p>Technology requirements for the running of the organisation are modest. A bespoke web portal facilitates both applications and application management. There are a relatively small number of applications and a limited number of associated financial transactions.</p>
2.8	Lack of reporting from applicants	Minor	Frequent	Low	<p>Retain a portion of award until report is received.</p>

3.	Financial				
3.1	Treasurer function	Medium	Ongoing	Low	<p>GPF will elect a Treasurer who will carry out the financial polices as directed by the GPF committee. The committee meet twice a year to agree the following financial issues;</p> <ol style="list-style-type: none"> 1) Review investment policy and amend if necessary 2) Agree what funds are available for distribution. 3) Allocate the funds for distributing between the applying expeditions <p>Review the accounts as prepared by the Treasurer.</p>
3.2	Bank accounts	Medium	Ongoing	Low	<p>The Treasurer will liaise with the GPF bank and investment bodies. There needs to be two signatures on all accounts and distributions. Hence at least one other trustee will be a signatory</p>
3.3	Audited accounts	Minor	Ongoing	Low	<p>The accounts will be reviewed by an Independent Examiner who is suitably qualified and who will not be associated with GPF.</p> <p>Once approved the accounts will be made available according to relevant statutory requirements.</p>

3.4	Fund	Minor	Ongoing	Low	GPF will bank with and invest in secure organisations, backed by the UK Government insurance scheme. Hence the fund will not be at risk should any of them fail. GPF recognises this reduces potential return but do not wish to introduce any risk to capital.
3.5	Insufficient income	Minor	Unlikely	Low	Grants will be reduced to match income while allowing for capital fund growth.
3.6	Dependency on income sources	Moderate	Unlikely	Low	Funding sources are low risk.
3.7	Compliance with donor imposed restrictions	Minor	Occasional	Low	Restricted scope of operations minimises possibility of incompatibility between GPF award criteria and donor's wishes.
4.	External				
4.1	Public perception	Minor	Unlikely	Low	We do not rely on the general public for funding
4.2	Adverse publicity	Minor	Occasional	Low	GPF provides only a small proportion of the funds of any expedition. Our involvement is rarely publicised beyond the caving community.

4.3	Relationship with funders	Moderate	Unlikely	Low	<p>Ensure our decision process is transparent to the caving community.</p> <p>Elected Management Committee members ensure good grassroots involvement.</p> <p>Co-opted committee member from major donor.</p>
4.4	Demographic consideration	Moderate	Occasional	Medium	<p>Significant focus on supporting youth involvement in expeditions.</p>
5.	Compliance				
5.1	Charity Commission	Minor	Ongoing	Low	<p>GPF ensures that it carries out its functions in such a manner as would be approved by the Charity Commission. It abides by the Charity Commission guidance where applicable</p>
5.2	HMRC	Minor	Ongoing	Low	<p>The current nature of GPF's organisation and finances means that very limited interaction with HMRC is needed.</p> <p>There are no PAYE or Corporation Tax matters, with the exception of Gift Aid reclaims. The Trustees do not expect this situation to change in the foreseeable future.</p>

5.3	Data processing	Minor	Ongoing	Low	<p>Very limited amounts of personal data is retained.</p> <p>Unwanted and out of date information is regularly purged.</p> <p>We have procedures in place to comply with GDPR.</p>

15 questions for trustees

ID No.	Question	Response
1	What effect is the current economic climate having on our charity and its activities?	The charity has about £100,000 invested, the return on which is distributed each year. Since the BoE reduced the interest rates from 2008, the return has dramatically reduced. GPF only invests in safe havens which today typically return 1.5% per annum.
2	Are we financially strong enough to continue to provide services for our beneficiaries?	Yes. Despite the return on our fund reducing as above, we are in receipt of donations each year from other bodies. The combined proceeds are distributed, whether large or small. Our costs are very small and are borne personally by the Trustees.
3	Do we know what impact the social and/or economic climate is having on our donors and support for our charity?	The largest normal donor is the British Caving Association which is financially very strong. It has recently increased its annual donation and had indicated it will continue to do so. It has had a budget surplus every year since 2004.
4	What is our policy on reserves?	Reserves are NOT distributed, only the return upon them and donations.
5	Are we satisfied with our banking arrangements and our current and future investment policy?	We currently bank with the Royal Bank of Scotland which is a UK clearing bank. Our investments are very prudent and all are backed by the Government insurance policy. We ensure none of the investments go above the current insurance limit at any one time.
6	Have we reviewed our contractual commitments?	We don't have any contractual commitments. We don't employ anyone.
7	Have we reviewed any contracts to deliver public services?	We don't deliver public services.
8	If we have a pension scheme, have we reviewed it recently?	We have no employees and hence no pension scheme.

9	How can we make best use of any permanent endowment investments we hold?	We don't have any.
10	Are we an effective trustee body?	<p>We have existed since 1974. We have donated over £1/4 million since then to more than 500 expeditions.</p> <p>Our support sometimes allows them access to other support both financial and otherwise. For most small expeditions we are their sole source of outside income.</p> <p>Our costs are virtually nil.</p> <p>The application process is all on line and not overly burdensome.</p> <p>We retain a portion of our support until we have received reports of the result of the expedition.</p> <p>Our Trustees meet regularly and follow a well-established agenda, making grants based on clear and documented criteria. Meetings are thoroughly minuted.</p> <p>The Management Committee has a good balance of experience, current knowledge and external oversight.</p> <p>Bearing the above in mind, yes we are effective.</p>

11	Do we have adequate safeguards in place to prevent fraud?	<p>The amounts of money we are dealing with are generally small and the recipients are known within the caving community.</p> <p>Awards are made to UK cavers only and are not transmitted to any overseas entities.</p> <p>The distribution of funds is agreed bi-annually by the Management Committee. The Treasurer then distributes funds in accordance with the decision made by the Committee. He suggests investments to the Committee who instruct him accordingly. All the investments are in well known, prudent organisations. No expenses are paid.</p> <p>In terms of funds incoming, the vast majority are from regular, known sources and are received by bank transfer. Any cash receipts are not of a material value and usually result from a raffle/lottery type of fundraising.</p> <p>Should a large or unusual donation occur, or ones that have preconditions attached, it would be subject to “Know Your Donor” due diligence. (To date, there have been no funds received which would trigger this check).</p> <p>There has been no fraud since inception and it would need multiple Trustees acting together to commit fraud.</p>
12	Are we making the best use of the financial benefits we have as a charity?	We claim Gift Aid tax relief on donations where possible.
13	Are we making the best use of our staff and volunteers?	We have no staff. We rely on volunteers to give of their time to fulfil the objectives of GPF. All committee members are expedition cavers past and present, so it’s a labour of love. Increased use of technology has considerably reduced work load in recent years.

14	Have we considered collaborating with other charities?	We have links with the British Caving Association, the British Cave Research Association (charity No. 267828) and the Mount Everest Foundation (charity No. 208206).
15	Are we making the best use we can of our property?	We have no property.

Issue record

Version	Date issued	Changes	By
1.0	26 Aug 2019	First issue	NW

References

CC26 - Charities and risk management – The Charity Commission, 2017

Charity governance, finance and resilience: 15 questions trustees should ask - The Charity Commission, 2017

Risk governance for charities: Risk management structures and accountabilities v4 - Institute of Risk Management, 2018

Risk management for charities - Getting started: supplementary guidance - Institute of Risk Management, 2014

Charities Toolkit – Kingston Smith, 2013