

Discovering Old Welsh Houses Group

Financial Risk Assessment

Potential risk	Potential impact	Likelihood	How to mitigate risk
Lack of proper budgetary control and financial reporting	Budget does not match key DOWHG priorities. Financial decisions made on inaccurate information. Overspend	High	Budget linked to key DOWHG priorities. Timely and accurate monitoring and reporting to Trustees. Proper costing procedures for products and events
Dependency on income sources	Cash flow and budget impact of loss of income source	High	Identify ways of maintaining/ increasing membership. Ensure Reserves Policy can meet loss of membership. Consider other forms of income sources
Poor return on deposits	Loss of competitive income from deposits	High	Review deposit accounts annually
Lack of cashflow	Unable to pay creditors within a reasonable period	Medium	Ensure current bank account and 14 day access building society have sufficient funds to meet annual expenditure
Reserves Policy does not meet future requirements	Too little money held for contingencies, or too much money held which could be spent on DOWHG objectives	Medium	Review Reserves Policy annually against future plans, activities and identified financial and operating risks
Computer files are lost/corrupted	Documents cannot be recovered. Loss of financial control	Medium	Ensure files are backed-up to CD/memory stick/cloud and stored separately from main computer
Resignation of Treasurer	Short term loss of control of finances	Medium	Have an agreed handover procedure and timescale
Paper records are lost/stolen	Considerable work entailed in finding, identifying and retrieving documents from primary sources. Loss of financial control	Low	Document location of primary sources (bank, building society, etc.) and copy/scan invoices etc. Store separately from working documents
Fraud/major errors	Financial loss, decrease in reputation, impact on funding, regulatory action	Low	Financial control procedures and policies, authorisation limits, security of assets, transparency
Treasurer becomes seriously ill	Lost of control of finances	Low	Ensure the location of key financial documents and computer files are known, including banking, etc. passwords.

Infrastructure

Virus, malware, accidental damage, sabotage to Group website and systems	Systems fail and internal and external communication compromised	High	To maintain the minimum-security requirements and ensure IT recovery plan in place. Also ensure that https protocols have been registered and that the web service provider account is up to date.
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Governance and compliance

Inappropriate organisational structure	Organisation drifts and fails to meet group objectives	Medium	Office-holder job descriptions kept up-to-date and committee, trustee and other meetings held and minuted appropriately.
Trustee body lacks relevant skills base	Organisation fails to deliver in one or more key areas	Medium	Review trustee membership on a regular basis, identify skills deficits and appoint new members as required
Inadequate trustee commitment	Organisation drifts, its objectives are not met, it loses support, membership and income.	Low	Review trustee attendances; introduce fixed terms. Ensure that trustees and officers are kept up-to-date and are offered training as appropriate.
Poor knowledge or lack of legal responsibilities	Inadvertent errors, failures in law and practice	Medium	Trustees' TOR should be reviewed and updated. Ensure that insurance is adequate to protect Group against liabilities.
Breach of Nolan Principles	Bring the Group into disrepute	Low	Ensure trustees (and officers) are aware of, and sign up to, the Nolan Principles. Ensure there is a procedure in place to remove members if their conduct brings the Group into disrepute.