

Association of Church Accountants and Treasurers

Risk management policy

1. General policy

- 1.1** The Directors of the Corporate Trustee of the Association of Church Accountants and Treasurers (ACAT) acknowledge that the responsibility for the management and control of the charity rests with them and that an integral part of this management and control is the development of a risk management policy.
- 1.2** Our policy is to identify and manage the possible and probable risks that the ACAT may face as an integral part of governance to help ensure that:
 - Significant risks are known and monitored, enabling the directors to make informed decisions and to take timely action;
 - ACAT makes the most of opportunities and develops them with a confidence that any associated risks will be properly managed;
 - ACAT's aims are more successfully achieved;
 - Forward and strategic planning is improved.
- 1.3** The directors' overriding responsibility is to ensure appropriate systems, procedures and controls are developed and put into place that enable ACAT to be successful in achieving the purposes for which it was established and to be honouring to God.
- 1.4** In discharging these responsibilities, the directors may delegate tasks associated with the identification, assessment and management of risk to nominated director(s), the staff and/or volunteers of ACAT, while retaining overall responsibility.
- 1.5** The directors recognise and accept that a degree of risk is acceptable and not all risks can or should be avoided or fully mitigated but would seek to mitigate, as far as is possible, those that it considers to pose the most serious threat to the future viability and success of ACAT.
- 1.6** In constructing this policy, due consideration has been given to the Charity Commission guidance "Charities and risk management (CC26)".

2. Identifying and assessing risks

- 2.1** ACAT identifies the risks that it faces in a systematic way, recognising that risks can impact all parts of the charity including those associated with the following areas:
 - Governance risks – including strategic and leadership;
 - Operational risks;
 - Financial risks;
 - External risks;
 - Compliance with the law and other regulations;
 - Other risks potentially unique to ACAT.
- 2.2** Once identified, each risk is then formally assessed considering both the seriousness of the risk and the likelihood that, without any action, the risk is likely to occur. A combination of the two factors identifies the most serious risks faced by ACAT.

- 2.3** The directors accept that risk assessment is not an exact process and that a degree of subjectivity will apply when assessing both the seriousness and the likelihood of any risk.
- 2.4** The operating environment and the associated risks faced by ACAT will change over time. As a result, a review of all risks will take place on an annual basis.
- 2.5** In addition, the identification and the assessment of risk will be reconsidered whenever:
- Circumstances change that are considered to impact the ability of ACAT to achieve its goals;
 - Legislation or other regulations are introduced or amended such that they impact the successful operation of ACAT;
 - There are significant changes in the ACAT's key personnel;
 - There is a significant incident or near miss which necessitates a review of risk.

3. Managing the identified risks

- 3.1** Once identified and assessed, the directors will determine how to manage each risk, by:
- Seeking to avoid the risk altogether, which may mean ACAT scales back, or even stops altogether, its work in certain areas;
 - Transferring the risk or its impact to a third party. The most recognised form of risk transference is through the use of insurance. However, in some situations, the directors may consider the outsourcing of certain activities to more specialist providers;
 - Seeking to mitigate or control the risk (see 3.2); or
 - Accepting the risk, understanding that not all risks can or should be avoided.
- 3.2** In cases where risks are to be mitigated or controlled, actions taken may include:
- Changes to policies, operating practices or procedures;
 - The introduction or implementation of new systems, policies or processes;
 - Amending the roles of staff and/or volunteers, even removing them altogether in extreme cases;
 - Reviewing existing partnership agreements and terminating arrangements where appropriate;
 - Provision of appropriate training for directors, staff and volunteers and staff;
 - Development of appropriate contingency plans

4. Residual risk

- 4.1** The residual risk is that which remains once the directors have managed the risk in the ways set out in 3.1 and 3.2.
- 4.2** This level of residual risk will only be accepted if it is considered by the directors of ACAT to be acceptable when pursuing the objectives of ACAT. If that level of risk is not acceptable, the process set out in 3.1 and 3.2 will be re-performed.
- 4.3** The directors will document the actions agreed to be undertaken to manage the risks in the process set out 3.1 and 3.2 and of the acceptance of the residual risk.

5. Adoption of this policy

5.1 The directors of ACAT formally accepted this policy at the board meeting held on 18th September 2023.

5.2 Approved for publication 19 January 2026

Livia Velicu

Chair