

# RISKASSESSMENT PRESENTATION

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## How many bodybags shall we take?

If you don't do a Risk Assessment, then this is the question you should be asking yourself!

Short Term Overseas trips are a high risk activity. There is potential for a lot of things to go wrong. Your job is to identify them and reduce them - before you go!!

Each year we enter into the gap period, the overseas trip period, the time when people get the urge to travel and sign up to organisations such as yours and each year people die while they are on these trips.

Unfortunately there is every possibility that somebody could be killed or seriously injured while embarking on an adventurous trip or activity.

Let me give you an outline sketch of what our first venture into this field was like.

We set about sending groups of young people overseas we started by basically booking seats on aircraft. We got a group of 'volunteers' who were willing to part with some hard earned savings and flew them down to Africa, where they spent a couple of weeks getting the 'African Experience' before we packed them back on an aeroplane to bring them home!

The second year we did it differently.

We learnt that the previous year every member of the team had undergone some form of difficulty in the intervening period. We learnt about culture shock, reverse culture shock, problems that arise by dropping impressionable minds into challenging situations and then bringing them out again by re-introducing them to the western culture.

We learnt we were a travel agent, and all the legislation that brought with it - but we were a charity, we did good works, we were preaching the gospel.....we were also a travel agent. In fact when we were organising short term trips we were a travel agent first and a charity second.

The Package Tour Regulations became a whole new minefield for us to negotiate.

The third year we did it differently again.

We fine tuned the previous two years. We were starting to get things together. We were a part of forum that established the Short Term Overseas guidelines.

We were starting to really understand the issues surrounding sending groups of young people overseas for short term assignments.

Then there was a massacre of British tourists in northern Uganda.

We took the decision to cancel.

This was Risk Assessment on the hoof - but we learnt and we changed the way we did things. For example we didn't have an Exit Strategy

Have you got an Exit Strategy?

### Why do Risk Assessment? - The Legal position

Risk Assessment was placed firmly on the agenda by the Statement of Recommended Practice for Charities SORP (2000) which applies to all accounting periods beginning on or after 1 January 2001.

SORP requires all charities to include in their annual report;

'a statement confirming that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and that systems have been established to mitigate those risks' Paragraph 31(g)

It is also reflected in Regulation 7(3)(b)(ii) of the Charities (Accounts and Reports) Regulations 2000 which requires charities, whose gross income is over £250,000, to include in their Annual Report

"a statement as to whether the charity trustees have given consideration to-

(aa) the major risks to which the charity is exposed

(bb) systems designed to mitigate those risks"

At the end of the day the Regulations are the regulations and SORP is regarded as best practice for all charities.

### What is Risk Assessment?

There are a number of definitions.....It would appear that almost everybody has had a go at defining Risk Assessment some of which include.....

#### The Charity Commission's definition

**Major Risks' are those risks which have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives or could damage the reputation of the charity, changing the way the trustees, supporters or beneficiaries might deal with the charity.**

Then you have the Treasury's definition –

**'The uncertainty of outcome, within a range of potential exposures, arising from a combination of the impact and probability of potential events'!!**

Arthur Andersons defined risk as being.....

**'The risk is that something good will not happen or that something bad will happen'**

This is pretty close to it, because risk is not only something bad that happens which disrupts or damages the charity it can also be something good that you expect to happen but then doesn't.

So we have briefly looked at WHY we do it....

It's a requirement

It's best practice

It protects the organisation

And we've looked at trying to define What it is.....

The question that remains is HOW do we do it?

There are a number of stages you need to look at before you start:-

1. Can you do what you want to do?

2. Do your Mem & Arts permit it?

3. Are your Trustees aware of it?

4. Do they approve?

If the answer to all these questions is yes, then the fun starts!

Plan what you want to do, where you want to go. and then look at each element.

You will need to carry out a Risk Assessment on the whole project.

Taking people overseas within the charitable sector is perceived as being a high risk activity. It can involve high cost, both to the individuals and the organisation in administrative terms.

OK, you have had the idea, you have established that you have the powers and authority to do it - what or where next?

You need to talk to your insurance broker. This is not a "nice to have" but an absolute necessity!

You have a duty not only to protect those who are going - you also have a duty to protect the organisation and those who 'invest' into your organisation

Like many voluntary organisations you are probably facing difficulties with acquiring insurance cover for new activities - especially those perceived "to be dangerous".

For example, I've heard of a charity which campaigns against the Arms Trade. They were refused public liability cover when they wanted to erect a refreshment tent at the Glastonbury Festival, and not only that - they had their employers' liability cover removed as well!

It is vital that you have early communication with your insurers or insurance broker because you do not want to find yourself in the position where you have made all the arrangements only to find you are holding an un-insured risk.

Uberrimae Fidei more easily remembered as "You bury my Fido" - which means "utmost good faith" you must inform your insurer otherwise you may find your insurer may not buy your project.

So. what do all these issues need to be about? Have you noticed we have not started doing yet?

### RISK ASSESSMENT

In most people's mind, risk assessment carries with it the adrenaline rush associated with watching paint dry or a jelly set. People who have the vision and drive to organise the sending of people to far flung countries of the world generally, as a rule, do not get wildly excited about form filling, administration or risk assessment. However, the Charity Commission, the Government, Health & Safety Executive and insurers go "mad for it" - we are talking wild and exciting seminars!

We are talking analysts and detail. We are talking a whole new industry being borne on the back of legislation.

### Legislation?

Yes. You have a duty to carry out risk assessment. Not only that, but also, you have to address the issue in your Annual Report. We are told that investors are generally risk averse - they want a reasonable return for their money without exposing their investment to higher a risk.

You need to be the same. You want to get a good return on your "project" without exposing neither the participants nor your organisation to be an un-acceptable level of risk.

So what is risk? To some it's like getting out of bed, to others it resembles bungee jumping. We need some sort of definition:-

### RISK - another definition

The likelihood of harm from a particular hazard being realised and its severity.

Without going into the in's and cut's of what "harm" means or what a "hazard" is, we are basically saying "what are the chances of something going wrong and if it does, what sort of damage is it going to do"?

You need to take each element of the trip:

- The travel

- The stop-overs
- The destination
- The accommodation
- Any potential health risks
- The activities
- The leadership
- The briefing
- The de-briefing

Then there are the External risks:

- The political situation in the country you are visiting
- Are there any local or national elections due which co-incide with you being there?
- Does the Iraq crisis affect your trip?
- If you get out will you be able to get back?
- Is there a British Embassy or consulate in the country you are visiting?

All these general questions need to be addressed and you need to look at more specific questions that relate to your organisation.

Get reports from the field, visit the field, surf the web, find out what the Foreign office is saying.

Build up a complete a picture as you can and then once you have identified the risks you then need to deal with them.

There are basically three levels:

1. Eliminate it
2. Reduce it to an acceptable level
3. Insure it

Note ; Insuring it is not the first option.

Risk assessment is also a group therapy!!

One person's perception of a degree of risk will almost certainly be different from another's over a range of various potential hazards.

Once you have identified the various risks you then need to work in a group to decide what kind or level of risk each potential hazard offers to either the participants or the organisation.

There a number of ways you can approach this but basically you need to;

- Identify the Potential Risk
- Then Identify the Potential Impact
- Finally Identify the steps to mitigate that risk

This can be done in a table format;

POTENTIAL RISK	POTENTIAL IMPACT	STEPS TO MITIGATE RISK

Another method could is

Risk Areas Identified	Likelihood of occurrence	Severity of Impact	Overall "gross" impact	Control Procedure	Retained "net" risk	Monitoring Process
<b>Risk 'A'</b>	<b>Medium (3)</b>	High (4)	Medium to High (12)	<b>ACTION</b>	<b>LOW</b>	<b>Review</b>

The second method, although takes longer, gives a process to thought and a consistency in results.

Each organisations risk map will be different, reflecting what risks they are exposed to and there attitude towards that risk.

One thing that you must avoid at all costs is creating the situation where you reduce risk to such a point that your organisation cannot operate for fear that something might go wrong.

You have to maintain a 'reasonable' perspective on these things.

**EXIT STRATEGY**

There is one thing you need to consider and that is your EXIT STRATEGY.

At what point do you pull out, what point do you accept that the re-newed risk is too great for the organisation to continue with the project.

We are currently sending two groups out on short term mission trips and we have had to identify and agree what our Exit Strategy is.

A copy of our strategy is included in the hand-out.

Risk Assessment is current. It is a requirement and is the first thing you do when you start out on these trips.

Plan it in your mind. draw your information from as many sources as you consider to be reasonable, document everything because if it all goes wrong questions will be asked. You will need to be able to prove that you took reasonable steps to fulfil your duty of care towards those who travel under your banner.

There effectively three things you need.....

1. An entrepreneurial flair
2. Clearly defined and easily workable record system
3. A wheelbarrow load of common sense!