

Spotlight on:

Risk Management

A compilation of
four case studies
on Risk Management





How do you reduce your insurance costs... contact CaSE Insurance on 0845 225 2288

CaSE insurance is:

- helping hundreds of voluntary organisations reduce their premiums and often improving their cover at the same time
- insuring over 600 charities and more than 150,000 not-for-profits, including Fairtrade Town Steering Groups and all the Neighbourhood Watch groups in England and Wales
- unique in the sector; set up to reduce insurance premiums for voluntary organisations and return 40% of profits to charity

Don't leave your renewal to the last minute! Contact us via the NCVO website (www.ncvo-vol.org.uk/insurance) or call us on 0845 225 2288 (quoting NCVO/Risk)

Focus: Risk Management

This is the first in a series of case study booklets which will show you how some of our members have worked in different ways with our recommended suppliers to improve the running and management of their organisations. This booklet focuses on risk management; see how four organisations have investigated different elements of their risk and with the help of NCVO's recommended suppliers have adapted, improved and given their organisations greater security for their future.

NCVO works in partnership with a range of recommended suppliers to help our members and the wider voluntary sector solve problems, save money, and improve their efficiency and effectiveness.

For more details on all NCVO's recommended suppliers and the discounts and benefits they can offer you, visit: www.ncvo-vol.org.uk/discounts.



Contents

	Page
● Case study 1	
Co-Operative Systems and Family Futures	4
Data and network security	
● Case study 2	
Fairtrade Foundation	5
Managing risk with CaSE Insurance	
● Case study 3	
Charities Aid Foundation: CAF Bank and EveryChild	6
Risk management – financial planning	
● Case study 4	
Charity Business and ENCAMS	7
Using your Internal Audit to manage risk	

Data and network security

Family Futures is an adoption and support management agency based in North London. As a key part of their work they hold and process information about children. Understandably, security and confidentiality are critical to their operation.



However these are very challenging times. Whilst IT networks and the Internet make it very easy for organisations to share information they also make it very hard to protect that information. A recent study showed that 94% of large enterprises had a security breach in the last 12 months (Trend Micro Feb '09). For smaller organisations on a budget, setting an appropriate strategy can be daunting.

Happily for Family Futures, their IT provider, Co-Operative Systems, is very experienced in these challenges, from large scale organisations such as SCIE and Equinox with hundreds of staff, through to smaller organisations facing similar issues.

Philip Anthony of Co-Operative Systems explains; "The issue of security has existed since people first started using PCs, but in the early days it was just a matter of locking the floppy disks away. Since then securing organisations against all the different threats has become increasingly challenging. We have a checklist of key items, for example we insist that everyone we work with is protected by Firewalls, Antivirus protection, Anti-spam protection and undertakes regular software updates. A lot of our clients don't want to know about the technical side so we take care of these issues for them as part of our service. But what they do need, is to be sure from a management view point that the policy and practices in place are adequate"



Alan Burrell, Director of Family Futures says "We've worked with Co-Operative Systems for some 4 years now, and from the outset we have had an ongoing dialogue on how best to protect our data. It's not easy. What we have done with Co-Operative Systems help is secure our network and equally importantly raised staff awareness on best practice. We've also put in place disaster recovery plans. We haven't spent a fortune and use mainstream equipment and software. We need to be vigilant on an ongoing basis, but we have now managed our risk level down to an appropriate level."

For further information see:

Family Futures: www.familyfutures.co.uk

Co-Operative Systems: www.coopsys.net or call 020 7793 0395

For a free getting started guide to IT security email team@coopsys.net

Managing risk with CaSE Insurance

The organisation

NCVO member the Fairtrade Foundation is a registered charity that seeks to transform trading structures and practices in favour of the poor and disadvantaged. In the UK Fairtrade is rooted in a grassroots people's movement involving volunteer Fairtrade Town Steering Groups in over 700 towns, cities and villages. These groups organise events to raise awareness and understanding locally and to encourage others to make their own commitment to Fairtrade.

The challenge

As part of its risk management strategy The Fairtrade Foundation wanted to ensure that all the Steering Groups had access to approved insurance that was easy for them to buy, simple to understand and provided value for money. Having an insurer who could understand their needs and provide affordable cover for the activities that they undertake would save groups from mountains of paperwork and ensure they had adequate protection.

The solution

The Fairtrade Foundation approached CaSE Insurance, who have extensive experience of working with voluntary organisations and through an agreement with NCVO and the Home Office already provide Professional Indemnity cover for the Neighbourhood Watch Associations in England and Wales. CaSE worked closely with the Fairtrade Foundation to design a solution that met all their requirements, was simple to understand and that the Steering Groups could easily purchase on-line.

CaSE Insurance took the time to understand their requirements, as Hannah Reed, the Campaigns Manager at Fairtrade Foundation, said: "CaSE Insurance was very open to our suggestions, took time to understand the needs of Fairtrade Town groups and created a pricing structure that worked for everyone."

The outcome

The result is insurance that ensures the Steering Groups are legally compliant, helps manage their risks and which can be bought online in just a few minutes. And Hannah Reed was delighted with the efficiency of working with CaSE Insurance: "We are very happy that they were able to launch the website in three days so that it was ready for Fairtrade Fortnight!"

For further information see:

Fairtrade Foundation www.fairtrade.org.uk

CaSE Insurance www.ncvo-vol.org.uk/insurance or call 0845 225 2288



Irene Kijara, a Fairtrade tea farmer in Uganda SRA

Photo: Simon Rawles



Risk management – financial planning

EveryChild works across 15 countries fighting to protect the most vulnerable and excluded children, giving them the chance to grow up in loving families with a safe and secure future. In all projects they aim to bring about lasting, positive change in partnership with local communities and governments.

Careful money management and prudent financial planning are essential to provide sustainable solutions for 121 million children who are unable to go to school and a staggering 246 million who have to work to survive. That is why EveryChild chose to place their money with CAF Bank, a charitable bank owned by the Charities Aid Foundation, whose mission is to provide low cost, competitive banking services to the charity sector.

CAF Bank, which holds over 25,000 charity accounts, exists to help organisations like EveryChild maximise their impact – not only through paying lower charges and earning better rates of interest, but also because of the prudent approach to risk that CAF Bank has taken. This low risk policy is evidenced by the decision not to place assets with Icelandic banks. This was not by chance. CAF Bank is well versed in spreading risk on behalf of its customers and typically is lending to some 40 to 50 leading global banking groups at any one time. Spreading risk and setting a clearly defined risk appetite are just part of the cautious approach which meant the Icelandic banks did not meet CAF Bank's risk criteria. CAF Bank looked beyond the credit rating agencies and industry best buy tables and asked the question – 'if the unthinkable becomes the unthinkable would the Icelandic government have the resources to stand behind its banks?'



More than ever before, charities need to re-examine their financial position as they cannot afford to take risks with their money. Paul Hurford, Director of Finance and Business Performance at EveryChild comments "Banking with CAF Bank means we were always safe in the knowledge that we would receive better interest rates than through the high street banks, but only now do we appreciate the full benefit of the way in which CAF Bank is set up. They similarly adopt a cautious approach to risk, and safeguarding charity assets is fundamental to their goals."

Whilst the banking environment has changed and interest rates have fallen charities still need to seek key financial benefits from their bank, such as lower charges. Because CAF Bank is owned by a charity, it exists purely for the benefits of the charity sector so it ensures all costs are kept to a minimum, offering free day-to-day banking services.

It's obvious there are challenging times ahead and charitable organisations should re-evaluate their approach to risk, understand exactly which risks would prevent them from undertaking core activities and where possible spread that risk effectively. By adopting a continually flexible approach, charities could continue to thrive where the public and private sector may fail.

For further information see:

EveryChild www.everychild.org.uk

CAF Bank www.cafonline.org/ncvo or call the

Client Relations team on 08702 643 296 quoting 'NCVO'



Using your Internal Audit to manage risk

Following the introduction of new legislation, risk management has become critical for registered charities. It is important for organisations to fully understand how efficiently they work, assess what their major risks are and establish controls to minimise risk. In many cases, organisations do not have the time or expertise in house to carry out this type of work.

ENCAMS, an environmental charity responsible for the Keep Britain Tidy Campaign, had no Internal Audit function and having set up an Internal Audit Committee, needed guidance on how the Committee should function as well as support for the Internal Audit and associated risk management.

That's why ENCAMS selected Charity Business to operate as internal auditors; Charity Business gave ENCAMS an external and detached view of their situation which, coupled with their experience of working with similar organisations, gave the Committee and the charity not only independent advice but the flexibility of support they needed.

Charity Business has been working with ENCAMS in order to ensure its risk management is compliant with Charity Commission legislation. The diverse activities of ENCAMS, from running eco-schools to awarding blue flags to beaches, meant that Charity Business' consultants needed to think outside the box in order to ensure that all risks were registered and could be adequately monitored.

For further information see:
ENCAMS www.encams.org.uk
Charity Business www.charitybusiness.com
or call 01793 554204

Charity  Business
business thinking for charities

 ENCAMS

Keep Britain Tidy



NCVO has 7,000 members.

With over 280,000 individuals and over 13 million volunteers working for our members, we represent and support almost half the voluntary sector workforce. Our goal is to support members by creating an environment in which voluntary organisations can flourish and develop.

Join online at
www.ncvo-vol.org.uk/membership

NCVO's recommended suppliers.

NCVO works with over 30 recommended suppliers highlighting products, services and savings that our members can access to make their organisations more efficient and effective in their daily operations. From office stationery to outsourced support for your HR, Finance or IT functions; NCVO's recommended suppliers have solutions to help you.

Find out more at
www.ncvo-vol.org.uk/discounts

National Council for Voluntary Organisations

Regent's Wharf
8 All Saints Street
London N1 9RL

T: 020 7713 6161

F: 020 7713 6300

E: ncvo@ncvo-vol.org.uk

www.ncvo-vol.org.uk

Charity Registration: 225922