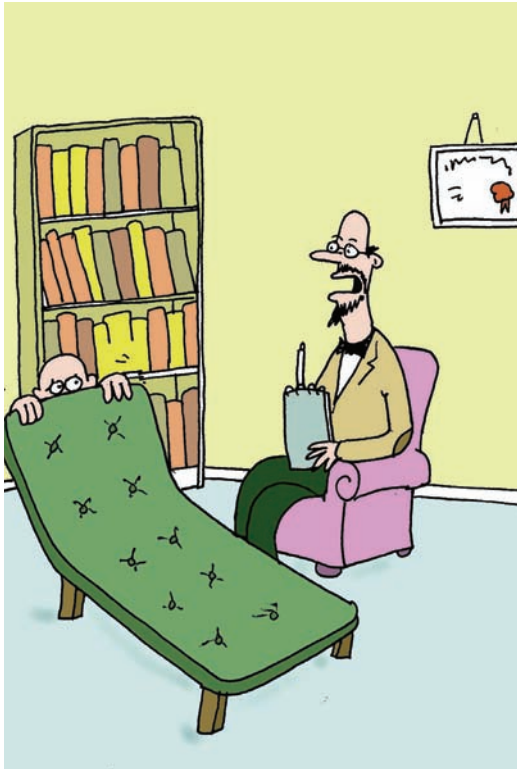


Things that go bump in the night

Bad things happen. Forrest Gump knew that and had his own special, and unprintable, way of saying so.



“You must accept that bad things can happen”

I know they do too. I had my phone and laptop stolen in Paris and was knocked off my motorbike by a drunk driver in London. Not quite down and out, but it bruised my bones, hurt my soul and kept me awake at night.

Well now, wouldn't it be a dream if those of us who nobly give our time as trustees were immune from the dark side? No shocks to the system, no nasty surprises, no bumps in the night.

But we know, don't we, that it's not so, and that unless we regularly and

systematically think about the risk of bad things happening, we are living in a dangerous dream.

Our job as trustees calls us to brush up against the cruel world and to try to make it better in our own chosen way. As we do so, and as we balance the inherent risks, might I suggest some working assumptions:

- you can take action which reduces the chances of bad things happening to your organisation;
- but some bad things will happen nevertheless;
- you and the collective body of which you are part will feel pain;
- you can take action to reduce the pain; and last but not least
- tomorrow is another day and you'll almost certainly live to see it.

Some things are never urgent – until they are. Like waking up to the fact that in five weeks you will be trading illegally, with no prospect of any new income. Like the only person who really understands your lovely bespoke software being

on the edge of leaving. Like, like, like ... you could no doubt add your own.

Don't lie awake a night worrying but make it 'urgent' by putting it on the agenda now. As part of your tending the health of your board, put a smile on everyone's face at least once a year by reflecting on all that could go wrong – with finances, reputation, personnel, physical security, IT and the rest.

Create a culture and procedures which support courageous and calculated risk taking, not risk avoidance. Maintain a risk register, describe the controls and plans for mitigating action you have in place, and document how the board is fulfilling its responsibilities to manage risk.

Like eating our five-a-day and health and safety, managing risk is good for you. But let's approach it in a common sense way, not submerge ourselves in picky and annoying detail, ticking the boxes – thereby missing the point.

The point is to be able to sleep at night knowing that, in spite of all our best efforts, things will forever go bump in the night, and knowing that we've fully met our responsibilities and, ultimately, that all will be well.

Sweet dreams. ●



This article is part of a series by Martin Farrell that looks in a light-hearted, but nevertheless serious way, at some of the more subtle issues facing trustee boards.

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