

CWMDU WATER UNDERTAKING

POLICIES

1. INTERNAL FINANCIAL CONTROLS

1. Control over signing cheques and over issuing instructions for disbursement of assets or funds, fund transfer procedures and investments may not be exercised by any single person, but may only be exercised either (a) by the Treasurer together with one Trustee or (b) by two Trustees.
2. Any disbursement of more than £200 must be authorised by the Board of Trustees.
3. No cash must be handled by the Charity.
4. At every meeting of the Board of Trustees, the Treasurer must make a financial report.
5. All financial documents must be made available by the Treasurer for inspection by any Trustee at any reasonable time.
6. A financial report must be made by the Treasurer at every Annual General Meeting of the charity.

2. RESERVES

Trustees have considered the guidance from the Charity Commission of 14 June 2023 on Charity Reserves: building resilience. They recognise that there is a reasonably high likelihood of an unforeseen emergency or other unexpected call for funds, and that there are substantial on-going operational costs, especially in relation to the new borehole and legal costs. While Trustees are conscious of the need to keep the levy at as low a level as possible, they believe that it is prudent to maintain a reserve of £25,000. The appropriate future level of reserves will be considered at each year end.

3. RISK MANAGEMENT

The Trustees have identified the following as potential continuing risks:

Operational

- (a) Current sources of water fail
- (b) There is a major failure in the distribution network
- (c) The Charity is not able to depend on those on its Committee to undertake work on its behalf (whether, in the case of non-Trustees for reasonable reward, or, in the case of Trustees, without reward)
- (d) The Charity fails to engage contractors to undertake major works
- (e) There are disputes between the Charity and land-owners through whom the Charity's infrastructure passes

Financial

- (f) The assets of the Charity are not sufficient to meet unforeseen liabilities
- (g) Individuals do not pay the levy
- (h) The Charity is the victim of fraud

Reputational

- (i) Supplies to consumers fail or are interrupted
- (j) Water fails to meet appropriate quality standards
- (k) Good relations are not maintained with regulators, in particular Powys County Council

Governance

- (l) Individuals are unwilling to serve as Trustees
- (m) Proper processes to avoid conflicts of interest are not followed

Risk will be an agenda item at every meeting of the Trustees, who will consider both the specified continuing risks and any other short-term risk that may occur. At each year end, Trustees will consider whether the list of continuing risks should be amended.

4. TRUSTEE EXPENSES AND REMUNERATION OF COMMITTEE MEMBERS

1. Trustees may be re-imbursed for any expenditure that they have incurred directly on behalf of the Charity and which they invoice electronically or in writing to the Treasurer. They receive no travelling expenses nor any other expenses for attending meetings. They must not receive any other remuneration from the charity and cannot be paid by it for any services they provide to it.
2. Committee members who are not Trustees may be paid for goods and services provided to the Charity, provided that:
 - a. there is a written agreement between the Charity and the Committee member who is to be paid;
 - b. the agreement sets out the exact or maximum amount to be paid;
 - c. the Committee member concerned may not take part in decisions made by the Trustee board about the making of the agreement, or about the acceptability of the goods or services provided;
 - d. the payment is reasonable in relation to the goods or services to be provided;
 - e. the Trustees are satisfied that the payment is in the best interests of the charity; and
 - f. invoices are provided electronically or in writing to the Treasurer.

5. TRUSTEES AND COMMITTEE MEMBERS: CONFLICT OF INTERESTS

1. Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of the Charity.

2. Trustees and non-Trustee Committee members must at the earliest opportunity declare any such interests, including employment and appointments, to the Secretary.
3. Trustees and non-Trustee Committee members should also declare any gifts or hospitality offered and received in connection with their role in the Charity. There is no need to declare an interest where the benefits are universal to all users (this includes the supply of water from the Charity to a Trustee or Committee member).
4. If a Trustee or Committee member believes they have a perceived or real conflict of interest, they should withdraw from any discussions and decisions relating to the conflict.
5. Interests and gifts will be recorded on the Charity's Register of Interests, which will be maintained by the Secretary. The register will be accessible upon request.

6. SERIOUS INCIDENT REPORTING

1. The purpose of this policy is to ensure that Trustees of the Charity are able to identify serious incidents and consider whether to make a serious incident report to the Charity Commission for England and Wales (the "Commission") among other potential actions.
2. In particular, this policy sets out how the Charity seeks to ensure compliance with the Serious Incident Reporting ("SIR") requirements of the Commission, which are set out in guidance available on its website (the "SIR Guidance").
3. This policy applies to all those working on behalf of the Charity including Trustees, non-Trustee Committee members, volunteers and contractors. Failure to adhere appropriately to the policy will be treated seriously. A breach of this policy may mean that the Charity would have to ask a person to cease being a volunteer, Committee member or Trustee.
4. The Commission considers that, as a matter of good practice, all charities regardless of size or income should report serious incidents to the Commission promptly.
5. The Trustees are ultimately responsible for ensuring that the Charity reports any serious incidents in a timely manner.
6. The Commission defines a serious incident as an adverse event, whether actual or alleged, which results in or risks significant:
 - (a) harm to a charity's beneficiaries, staff, volunteers or others who come into contact with the charity through its work;
 - (b) loss of a charity's money or assets;
 - (c) damage to a charity's property; and/or
 - (d) harm to a charity's work or reputation.
7. "Significant" is in the context of the particular charity, taking account of its operations, finances and/or reputation.
8. The SIR Guidance identifies the following main categories of reportable incidents (references to staff or employees are omitted since the Charity has none):

- (j) protecting people and safeguarding incidents. Incidents that have resulted in or risk significant harm to beneficiaries and other people who come into contact with the charity through its work (this includes incidents of abuse or mistreatment (actual or alleged) and a breach of procedures or policies which has put people who come into contact with the charity at risk, including failure to carry out checks that would have identified that a person is disqualified in law from holding their position within the charity (e.g. under safeguarding legislation, from working with children or adults));
 - (k) financial crimes: fraud, theft, cyber-crime and money laundering;
 - (l) large donations from an unknown or unverifiable source, or suspicious financial activity using the charity's funds;
 - (m) other significant financial loss;
 - (n) links to terrorism or extremism;
 - (o) other significant incidents, such as:
 1. a Trustee being disqualified from holding that position;
 2. something has happened to force the charity into insolvency or to wind up;
 3. forced withdrawal of banking services and difficulties securing alternative accounts;
 4. the charity is subject to a police investigation or a significant investigation by another agency/ regulator;
 - (p) major governance problems, such as mass resignation of Trustees, or other events, leaving the charity unable to operate;
 - (q) the charity's Trustees are the subject of criminal proceedings, in connection with the charity or their role in it; and
 - (r) there has been a significant data breach or loss within the charity.
9. The Commission recommends that any incident or matter that could get into the public domain or be reported in the media is reported to it as soon as possible (even if initially on an interim basis) so that the Commission can prepare its own public response and be in a position to say that it is already liaising with the Charity in relation to it.
 10. The SIR Guidance provides more details about the types of matters that should be reported and also includes a table of examples of matters that usually should or should not be reported. This Policy and the SIR Guidance are not exhaustive, and matters may still constitute serious incidents if they do not fall within any of the categories identified above.
 11. Through this policy, Trustees aim to raise awareness among all connected with the Charity so that they can identify serious incidents and know what to do if one occurs.
 12. Any person who becomes aware of a potential serious incident should (if they are not a Trustee) bring the matter to the attention of a Trustee. If any potential serious incident comes to the attention of any Trustee, they should as soon as possible share that information with the full Board of Trustees for them to consider whether a serious incident report is required.
 13. The Trustees (having been made aware of the incident) must respond to serious incidents promptly and ensure that all appropriate steps have been or are in process. The Trustees must also attempt to prevent or minimise any further harm, loss or damage.
 14. Assessing whether a reportable serious incident has occurred is a matter for the Trustees to determine, having reviewed and considered the SIR Guidance and any

related Commission documents or other guidance, and they may seek advice from professional advisers before doing so.

15. The Trustees will report reportable serious incidents to the Commission promptly. The urgency of reporting will depend on factors including the nature and seriousness of the incident, the potential impact on the Charity and whether it is likely that there will be media coverage of the incident.
16. The following information should be included in the report:
 - (a) the individual submitting the report and their connection to the Charity;
 - (b) who within the Board of Trustees is aware of the incident, for example all Trustees or only some of them;
 - (c) what happened and when the Charity first became aware of it (it is not necessary to provide names of individuals involved in the initial report);
 - (d) the effect of the incident on the Charity or its beneficiaries or both;
 - (e) the action being taken to deal with the incident and prevent resulting risks and future occurrences;
 - (f) whether and when it was reported to the police or another regulator/statutory or other agency (including official reference numbers) any action taken, whether any guidance was offered and the extent to which the guidance has been followed;
 - (g) media/donor/patron/public relations handling plans that have been or will be prepared by the Charity, if any;
 - (h) insurance coverage, if any, and notification to and/or correspondence with the insurers where relevant;
 - (i) any other review or investigation that will take place as a result of the incident or allegation, including in respect of governance arrangements, contracts with third parties or policies and procedures; and
 - (j) specifying whether the information is confidential and/or may risk identification individuals if disclosed externally.
17. Trustees will review what happened and identify and take steps to prevent it from happening again – this may include strengthening internal controls and procedures and/or seeking appropriate help from professional advisers.
18. Consideration must also be given to whether a serious incident should be reported to the Charity's insurers in accordance with any relevant insurance policy.
19. In addition to making a serious incident report to the Commission, where appropriate the Trustees will also inform or make reports to other relevant regulators or agencies. The Charity should report:
 - (a) crime, or suspected crime, to the police;
 - (b) any incidents of harm or risk of harm to children or vulnerable adults (including any concerns, suspicions or allegations) to Powys County Council;
 - (c) incidents of fraud and cyber-crime that take place in connection with the Charity to Action Fraud;
 - (d) any serious data breaches to the Information Commissioner's Office; and
 - (e) any incidents relating to possible terrorist financing offences to police or the National Crime Agency (NCA).
20. The Charity must carefully consider and have due regard to any and all advice given by statutory or other bodies in relation to its handling of the incident or allegation.

How it has dealt with that advice must be documented and explained to the Commission in the serious incident report made.

21. This policy will be subject to review by the Board of Trustees every 2 years; upon the Commission issuing updated guidance in relation to serious incident reporting, whichever occurs first, or as otherwise appropriate. The most recent version of this policy can always be found on the Charity's website.