



HERTS VISION LOSS - RISK REGISTER

Areas of risk assessed:

- Financial
- Governance/ Management
- Operational
- Environmental/External

Scoring scale used: 1-5

- 1 Very low
- 2 Low
- 3 Medium
- 4 High
- 5 Very high

Criteria used to assess overall risk:

Probability of occurrence against Severity of impact

Scoring scale used to produce overall risk score:

- 1-5 Low
- 6-10 Low/Medium
- 11-15 Medium
- 16-20 Medium/High
- 21-25 High

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Escalation and Review Procedure

- 1) Risk register to be reviewed Bi monthly by Chief Executive and staff members at Team meeting.
- 2) Any new risks to be added, scoring over 10 to be escalated to relevant committee for approval.
- 3) Any suggested risks to be removed from register to be escalated to Finance and Governance Committee for approval
- 4) Relevant Committee to review risks, scoring over 10. This will be a standard agenda for each meeting.
- 5) All risks over 12 to be escalated to Board

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Potential Risk Area	Potential Impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	Accountable committee for review
<u>FINANCIAL</u> 1) Investments Policy	Financial loss through inappropriate or speculative investment Financial loss through lack of investment advice, lack of diversity Cash flow difficulties arising from lack of liquidity	2	5	10	Investment policy Proper investment advice and management Adequate reserves policy Regular performance monitoring	Finance and Governance
Potential Risk Area	Potential impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control measures	

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<p><u>FINANCIAL</u></p> <p>2) Budgetary control and financial reporting</p>	<p>Budget is costed poorly and projections inaccurate leading to risky decision making</p> <p>Decisions made based on poor financial reporting</p> <p>Poor cash flow and credit control management</p>	<p>2</p>	<p>4</p>	<p>8</p>	<p>Adequate skills base to produce proper costing and accurate budgets</p> <p>Timely and accurate monitoring and reporting</p> <p>Procedures to review and action budget/ cash flow variances</p>	<p>Finance and Governance</p>
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Potential Risk Area	Potential impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	
<u>FINANCIAL</u> 3) Budgetary control and financial reporting	Budget does not match key objectives and priorities	1	4	4	Budgets linked to business planning and objectives	Finance and Governance
4) Reserves Policy	Lack of liquidity to respond to new needs or requirements Inability to meet commitments or planned objectives	2	4	8	Reserves policy linked to business plans, activities and identified financial / operating risk.	Finance and Governance

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<u>FINANCIAL</u> 5) Reserves policy	Reputational risk if policy not justifiable or compliant with commission regulations	1	3	3	Regular review of policy	Finance and Governance
6) Dependency on Income sources	Cash flow and budget income impact with loss of source Over dependency on one source e.g.: HCC – loss of independence + reliance of local government performance Lack of grants being bid for or awarded leading to financial difficulties	3	5	15	Identification of major dependencies Adequate reserves policy Diversification of income streams and creation of fundraising strategy	Finance and Governance

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<u>FINANCIAL</u> 7) Fundraising Performance	Fundraising targets not met leading to scale back of activities and commitments not being met	4	4	16	Achievable fundraising targets agreed Fundraising strategy set by business plan	Finance and Governance
8) Inappropriate or loss making non-charitable trading activities	Resources withdrawn from key objectives Resources and energy diverted from profitable fund raising	2	3	6	Monitoring and review of business performance and return	Finance and Governance

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Potential Risk Area	Potential Impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	
<u>FINANCIAL</u> 9) Inappropriate or loss making non-charitable trading activities	Regulatory action and accountability Reputation risk if publicised	2	3	6	Adequacy of budgeting and financial reporting within subsidiary / activity budget Adequate authorisation procedures for Charity's activities Reporting funding and performance as part of financial reporting system	Finance and Governance

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Potential Risk Area	Potential impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	
<u>FINANCIAL</u> 10) Fraud or Error	Financial loss Reputation loss Regulatory Action Impact on funding	2	4	8	Financial control procedures Segregation of duties Authorisation limits Security of assets Insurable risks	Finance and Governance

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<u>Governance/ Management</u> 11) The Charity lacks strategic direction	The Charity drifts with no clear objectives Fire fighting approach prevails Needs of beneficiaries not fully addressed Financial management difficulties Low staff morale leading to poor performance	2	4	6	Creation of a strategic which sets out key objectives Creation of financial plans and budgets Monitoring of financial and operational performance Feedback from beneficiaries and funders	Finance and Governance

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Potential Risk Area	Potential impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	
<u>Governance/ Management</u> 12) Trustees lack of relevant skills or commitment	Charity becomes stale and fails to achieve its purpose Decisions are made bypassing the board Resentment or apathy amongst staff	1	4	4	Robust recruitment processes including skills match Role description including competencies Trustee training Annual review of board performance	Services Committee

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Potential Risk Area	Potential Impact	Probability of occurrence (score)	Severity of Impact (score)	Overall risk (score)	Control Measures	
<u>Governance/ Management</u> 13) Conflicts of interest	Charity unable to pursue its own interests and agenda Decisions may not be based on relevant considerations Impact on reputation	3	4	4	Understanding of Charity law Protocol for disclosure of potential conflicts Procedures for standing down on certain decisions	Finance and Governance Committee

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<u>Governance/ Management</u> 14) Lack/poor organisational structure	Inadequate information flow and poor decision making procedures Uncertainty in respect of roles and duties Decisions are made at inappropriate levels or with excessive bureaucracy	2	3	6	Organisational chart and clear understanding of roles and duties Delegation and monitoring in line with good practice and legal requirements Accurate Job Descriptions and review of roles to reflect business plan	Services Committee

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<u>Governance/ Management</u> 15) Loss of key staff	Valuable experience and skills lost Operational impact on key services and priorities Lost of contact base and sector knowledge Client group loose confidence in Charity due to break in continuity of service	2	3	6	Robust staff support systems Competitive remuneration packages Relevant staff development connected to appraisal system and business plan Succession planning Documentation of plans / projects	Services Committee

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<u>Governance/ Management</u> 16) Reporting to the Directors (accuracy, timeliness and relevance)	Inadequate information resulting in poor quality decision making Failure of Board to fulfil its control functions Board becomes remote and ill informed	2	5	10	Proper strategic planning, objective setting and budgeting processes Timely and accurate project / financial reporting Regular contact between Directors and Management	Services Committee

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<u>Operational</u> 17) Contract risk	Over reliance on contract funding leading to onerous terms & conditions, non-compliance with Charity's objects and subsidy of statutory provision Financial risk linked to economic performance of statutory funder	3	4	12	Charity sets threshold for percentage of contract income Services budgeted on full cost recovery model Professional advice on terms & conditions of contracts All potential contracts match Charity's objectives	Finance and Governance Committee

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<u>Operational</u> 18) Contract risk	Loss of potential contract funding due to Charity not being “fit for purpose” and not benefiting from the purchaser/ provider shift occurring between Public and Voluntary sectors	2	3	6	Charity ensures modern operating systems Robust Finance procedures and monitoring Staff and Volunteer support mechanisms in place On-going liaison with public sector representatives	Finance and Governance Committee

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Potential Risk Area	Potential impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	
<u>Operational</u> 19) Service provision – Client satisfaction	Client complaint Client accusations leading to investigation and possible action Reputational damage Loss of funding and potential funding	1	4	4	Quality control procedures including client involvement Staff and volunteer training/ supervision Complaints procedure Extensive service planning and monitoring	Services Committee

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<u>Operational</u> 20) Service development	Compatibility with Charity's objects, plans and priorities Funding and financial viability Service viability Staff skills availability	1	4	4	Service appraisal and costing procedures Authorisation procedures Monitoring and reporting procedures Agreed Business plan Staff development linked to Appraisal system	Services Committee / Finance and Governance Committee

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<u>Operational</u> 21) Capacity and use of resources including tangible fixed assets	Lack of staffing resource/ capacity to meet client groups expanding needs	2	4	8	Expansion of staff team in line with business plan	Services Committee
	Under utilised building – Hemel Centre Mismatch between staff allocations and key objectives	5	3	15	Broaden usage of Hemel Centre but still meeting its aims. Staff activity planned in line with business plan and monitored through supervision	

Potential Risk Area	Potential impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	
<u>Operational</u> 22) Security of Assets	Loss or damage Theft of assets Infringements of intellectual property rights	2	3	6	Review of security Asset register and inspection programme Management of patent and intellectual property Insurance reviews	Finance and Governance Committee

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Potential Risk Area	Potential impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	
<u>Operational</u> 23) Employment issues	Employment disputes Health & Safety Claims, injury, stress, harassment and unfair dismissal Equal opportunities Low morale Staff training issues	1	3	3	Recruitment procedures Reference checking, Job descriptions, Contracts of employment Equal Opportunity policy Staff induction including Health & Safety Complaints Procedure	Services Committee

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<u>Operational</u> 24) High staff turnover (HVL staff at 50+ could leave in relatively small time frame) High Volunteer turnover (see below)	Loss of experience and skills Recruitment costs Operational impact – Service delivery Low staff morale Increased cost of service provision and potential service closure	3	3	9	Exit strategy for staff team over next 5 – 10 years Competitive sector rates of pay Supervision and appraisal systems including personal development planning Budgets set to exit strategy	Services Committee

Potential Risk Area	Potential impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	
<u>Operational / Governance</u> 25) Staff/Volunteers/Service Users/Commissioners/ Public	Lack of adherence to confidentiality policy could lead to sensitive and confidential information entering the public domain. Sever impact if client or staff confidentiality is broken Reputational damage	3	4	12	Robust recruitment/induction check and ensuring all staff are aware of the confidentiality procedures Specific in house training provided Secure and safe document and record keeping	Services Committee

Potential Risk Area	Potential Impact	Probability of occurrence (score)	Severity of impact (score)	Overall risk (score)	Control Measures	
<u>Operational</u> 26) Health & Safety / Environment	Staff/ Volunteer/ Visitor injury Product or service liability Ability to operate re compliance	3	4	12	New Business Partners – contracted to carry out annual Health & Safety Audit of all Charity premises and highlight areas of concern. Also Newa provides updates of all relevant legislation changes	Services Committee

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<u>Operational</u> 27) Disaster recovery and planning	Computer systems failures / loss of data Destruction of property, equipment and records through fire, flood or similar	2	4	8	Data back up procedures and precautions Burned to CD-stored away from premises Insurance cover Disaster recovery plan including alternative accommodation Fire risk assessment in place	Finance and Governance Committee

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<u>Environmental/ External</u> 28) Relationship with funders	Deterioration in relationship may impact on funding and support available	2	5	10	Regular contact with major funders Accurate project reporting that meets funders requirements Meeting the funders terms, conditions and requirements of contracts or grants awarded	Finance and Governance Committee

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<u>Environmental/ External</u> 29) Government policy	Reduced availability of grant or contract funding On going role of the Voluntary Sector and being fit for purpose Impact from change in legislation or regulations	3	3	9	Monitoring of legal and regulatory changes Membership of umbrella bodies Attendance of appropriate networks on a county/ national level Ensuring Charity is fit for purpose	Finance and Governance Committee

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<u>Environmental/ External</u> 30) Compliance risk (law and regulation) Charity Law Company Law Own Constitution Data Protection Trustees Act DDA Employment Law POVA Health & Safety Fire Regulations Race Relations	Fines penalties or censure from licensing or activity regulators Legal action from client or employee Legal action from state or official body Reputational risks	2	5	10	Identify key legal and regulatory requirements Allocate responsibility for key compliance procedures Compliance monitoring and reporting Compliance reports to regulators, auditors and staff considered and actioned	Finance and Governance Committee

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<u>Environmental/ External</u> 31) Regulatory reporting: Charities Commission Companies House Financial	Regulatory action Reputational risk Impact on funding	2	5	10	Compliance procedures Allocation of responsibilities for regulatory reporting: Company Secretary – overview CEO Adherence to Funders reporting requirements	Finance and Governance Committee

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<u>Environmental/ External</u> Taxation	Penalties – interest and back duty Loss of income e.g. failure to utilise gift aid arrangements Loss of mandatory or discretionary rate relief Failure to utilise tax exemptions and reliefs	2	4	8	PAYE compliance procedures VAT review procedures Understanding of exemptions and reliefs available Advice on employment status and contract terms Budget and financial reporting	Finance and Governance Committee

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<u>Environmental/ External</u> Not using professional advice	Lack of investment strategy or management Failure to optimise fiscal position Contract risks Failure to address compliance risk	2	5	10	Identification and access to professional advice Identification of issues where advice is required Compliance reviews	Finance and Governance Committee

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