

Risk Management: Statement, policy and risk register

Updated: 05/11/25

Risk policy purpose

We recognise that the trustees of Fences & Frontiers have responsibility for any risks and their potential outcomes. The aim of this risk management policy is to ensure that the charity makes every effort to manage risk appropriately by maximising potential opportunities whilst minimising the adverse effects of risks.

Risk policy objectives

- To confirm and communicate the charity's commitment to risk management.
- To establish a consistent framework and protocol for determining appetite for and tolerance of risk and for managing risk.
- To assign accountability to management and staff for risks within their control and provide a structured process for risk to be considered, reported and acted upon throughout the organisation.

Risk policy statement

The trustees and executive management of Fences & Frontiers believe that sound risk management is integral to both good management and good governance practice. Risk management forms an integral part of our decision-making and is incorporated within our strategic and operational planning. Risk assessment will be conducted on all new activities and projects to ensure they are in line with the charity's objectives and mission. Any risks or opportunities arising will be identified, analysed and reported at an appropriate level. A risk register covering key strategic risks (later in this document) will be maintained and updated annually and more frequently where risks are known to be volatile.

The risks are identified, reviewed and assessed by the board of Fences & Frontiers.

Risk Register

Risks:

- Governance
- Operational
- Financial
- Environmental
- Law and regulation compliance
- Reputational

The table below outlines the key risk we have identified for Fences & Frontiers, and lays out our plans to mitigate these risk. This table will be updated on an annual basis (or sooner as risk arise).

Potential risk	Potential impact	Severity /Likelihood score score *(see appendix 1)	Actions to mitigate risk
Governance - making the best strategic decisions			
The charity lacks direction, strategy and forward planning	<p>The charity has no clear objectives, priorities or plans</p> <p>Issues are addressed with no strategic reference</p> <p>Needs of Participants not addressed</p> <p>Financial management</p>	Impact 3, Likelihood 2	<p>A strategic plan which sets out key aims, objectives and policies</p> <p>Financial plans and budgets</p> <p>Monitor financial and operational performance</p> <p>Feedback from participants, partners</p>

	<p>difficulties</p> <p>Reputational damage</p>		<p>and funders</p>
<p>Trustee body lacks relevant skills or commitment</p>	<p>Poor decision making reflected in poor service delivery, financial; issues, safeguarding etc</p> <p>Charity fails to achieve its purpose</p>	<p>Impact 3, Likelihood 2</p>	<p>Review and agree skills required</p> <p>Implement trustee training and induction</p> <p>Review and agree recruitment processes</p>
<p>Trustee body dominated by individuals, or by connected individuals</p>	<p>Trustee body cannot operate effectively as strategic body</p> <p>Key governance decisions made outside of trustee body</p> <p>Conflicts of interest</p> <p>pursuit of personal agenda</p> <p>Culture of secrecy or deference</p> <p>Arbitrary over-riding of control mechanisms</p>	<p>Impact 3, Likelihood 2</p>	<p>Consider the structure of the trustee body and its independence</p> <p>Mechanisms to manage potential conflicts of interest</p> <p>Review and agree recruitment and appointment processes in line with governing document</p> <p>Agree procedural framework for meetings and recording decisions</p>
<p>Conflicts of interest</p>	<p>Charity unable to pursue its own interests and agenda</p> <p>Decisions may not be based on relevant considerations</p> <p>Impact on reputation</p> <p>Private benefit</p>	<p>Impact 3, Likelihood 2</p>	<p>Agree protocol for disclosure of potential conflicts of interest</p> <p>Put in place procedures for standing down on certain decisions</p> <p>Ask that people stand back from certain activities where</p>

			conflicts exist
Loss of key staff, volunteers and trustees)	<p>Experience or skills lost.</p> <p>Operational impact on key projects and priorities</p>	Impact 5, Likelihood 4	<p>Succession planning for central roles</p> <p>Document systems, plans and projects</p> <p>Implement training programmes</p> <p>Agree handover process</p> <p>Review and agree recruitment processes</p>
Ineffective organisational structure	<p>lack of information flow and poor decision making procedures</p> <p>Remoteness from operational activities</p> <p>Uncertainty as to roles and duties</p>	Impact 3, Likelihood 2	<p>Organogram for clear understanding of roles and duties</p> <p>Delegation and monitoring should be consistent with good practice and constitutional or legal requirements</p> <p>Review structure and the need for constitutional change</p> <p>Skills/role based rather than hierarchical decision making.</p>
Reporting to trustees (accuracy, timeliness and relevance)	<p>inadequate information resulting in poor quality decision making</p> <p>failure of trustees to fulfil their control functions</p>	Impact 3, Likelihood 2	<p>put in place proper strategic planning, objective setting and budgeting processes</p> <p>timely and accurate project reporting</p>

	trustee body becomes remote and ill informed		<p>timely and accurate financial reporting</p> <p>assess and review projects and authorisation procedures</p> <p>have regular contact between trustees and staff (if hired)</p> <p>Provide training opportunities when necessary</p>
Operational - day to day operations of the charity			
Contract risks	<p>Onerous terms and conditions</p> <p>Liabilities for non performance</p> <p>Non-compliance with charity's objects</p>	Impact 4, Likelihood 1	<p>Conduct cost/funder/ project terms appraisal before agreeing terms or bidding</p> <p>Professional advice on terms and conditions if needed</p> <p>Adequate performance monitoring arrangements</p> <p>Consider insurable risks cover</p> <p>Maintain positive relationships with funders and partners</p>
Service provision	<p>Failure to achieve project aims/ meet needs of participants.</p> <p>Loss of significant contracts or other loss of income</p>	Impact 5, Likelihood 1	<p>Agree quality control procedures</p> <p>Benchmark services</p> <p>Agree and implement complaints and review</p>

	<p>Complaints or negligence issues</p> <p>Reputational risks</p>		<p>procedures</p> <p>Monitor and assess performance and quality of service</p> <p>Review market and methods of service delivery</p>
Safeguarding	<p>Risks to safety and wellbeing of beneficiaries</p> <p>Risks to safety and wellbeing of staff, trustees, and volunteers</p> <p>Ability to operate</p> <p>Reputational risks</p> <p>Legal risks</p> <p>Insurance and funding implications.</p>	Impact 5, Likelihood 1	<p>All volunteers, staff and trustees working with participants or participant data to have criminal records /DBS checks</p> <p>All representatives read and sign core safeguarding documents and understand safeguarding procedures</p> <p>All staff, trustees and volunteers to sign our code of conduct</p> <p>Designated safeguarding lead appointed</p> <p>Safeguarding documents are updated annually or when required (whenever is sooner)</p> <p>All complaints or incidents fully investigated and dealt with by multiple trustees. All complaints and incidents reported to the full board of</p>

			trustees. Any complaints or incidents directly involving a trustee, staff member, or volunteer will not be investigated by said person
Fundraising	<p>Insufficient income</p> <p>Reputational risks of campaign or methods used</p> <p>Compliance with law and regulation</p>	Impact 3, Likelihood 2	<p>Set realistic fundraising targets and measure performance</p> <p>Reeviw regulatory compliance (Signed up with fundraising regulator)</p> <p>Stewardship reporting in annual report</p> <p>Utilise a diverse fundraising strategy and avoid dependency on one stream of income.</p>
Employment and staff turnover	<p>Loss of core skills and knowledge</p> <p>Poorer service for participants</p> <p>Departmental based risks</p>	Impact 5, Likelihood 2	Forward planning for loss of staff or capacity
Volunteers	<p>Lack of competences, training and support</p> <p>Poor service delivery</p>	Impact 4, Likelihood 3	<p>Review and agree role, competencies</p> <p>Review and agree vetting procedures</p>

	Inadequate vetting and reference procedures		Review and agree training and supervision procedures DBS checks
Health, safety and environment	Injury to beneficiaries, staff, volunteers and the public Service liability Ability to operate	Impact 4, Likelihood 3	Comply with law and regulation Train staff and compliance officer put in place monitoring and reporting procedures Insurance cover Utilise a health and safety plan and procedures during all activities Fill in accident book and consider means to prevent reoccurrence
Procedural and systems documentation	lack of awareness of procedures and policies actions taken without proper authority	Impact 3, Likelihood 3	properly document policies and procedures audit and review of systems
Information technology	systems fail to meet operational need failure to innovate or update systems loss/corruption of data eg donor base lack of technical support	Impact 3, Likelihood 2	appraise system needs and options appraise security and authorisation procedures Implement measures to secure and protect data Agree

	breach of data protection law		<p>implementation and development procedures</p> <p>Review insurance cover for any insurable loss</p>
Financial			
Budgetary control and financial reporting	<p>Budget does not match key objectives and priorities decisions made on inaccurate financial projections or reporting</p> <p>Decisions made based on unreliable costing data or income projections</p> <p>Inability to meet commitments or key objectives</p> <p>Poor credit control</p> <p>Poor cash flow and treasury management</p> <p>Ability to function as going concern</p>	Impact 5, Likelihood 2	<p>Link budgets to business planning and objectives</p> <p>Monitor and report in a timely and accurate way</p> <p>Use proper costing procedures for product or service delivery</p> <p>Ensure adequate skills base to produce and interpret budgetary and financial reports</p> <p>Agree procedures to review and action budget/cash flow variances and monitor and control costs</p> <p>Regularly review reserves and investments</p>
Reserves policies	<p>Lack of funds or liquidity to respond to new needs or requirements</p> <p>Inability to meet commitments or planned objectives</p>	Impact 5, Likelihood 3	<p>Link reserves policy to business plans, activities and identified financial and operating risk</p> <p>Regularly review reserves policy and</p>

	Reputational risks if policy cannot be justified		reserve levels
Cash flow	<p>Inability to meet commitments</p> <p>Lack of liquidity to cover variance in costs</p> <p>Impact on operational activities</p>	Impact 3, Likelihood 1	<p>ensure adequate cash flow projections (prudence of assumptions) identify major sensitivities</p> <p>ensure adequate information flow from operational managers</p> <p>Monitor arrangements and reporting</p> <p>Diversify fundraising strategy and open new channels of income</p>
Dependency on income sources	Cash flow and budget impact of loss of income source	Impact3, Likelihood 2	<p>Identify major dependencies</p> <p>Implement adequate reserves policy</p> <p>Diversification plans</p>
Compliance with donor imposed restrictions	<p>Funds applied outside restriction</p> <p>Repayment of grant</p> <p>Future relationship with donor and beneficiaries</p> <p>Regulatory action</p>	Impact 3, Likelihood 1	<p>Implement systems to identify restricted receipts</p> <p>Agree budget control, monitoring and reporting arrangements</p>
Fraud or error	<p>Financial loss</p> <p>Reputational risk</p>	Impact 3, Likelihood 1	<p>Review financial control procedures</p> <p>Segregate duties</p>

	Regulatory action Impact on funding		Set authorisation limits Whistle-blowing policy Review security of assets Identify insurable risks
Counterparty risk	financial loss disruption to activities or operations	Impact 2, Likelihood 2	Research counter party's financial sustainability Contractual agreement Consider staged payments Agree performance measures Monitor and review appropriately
Environmental and external			
Adverse Publicity	Impact on fundraising income due to loss of donations and funder confidence Loss of confidence and use of services Ability to access grants or contract funding	Impact 4, Likelihood 1	Ensure good quality reporting of the charity's activities and financial situation Maintain good communication and feedback with participants, staff and volunteers. Agree a crisis management strategy for handling - including consistency of key messages and a nominated

			<p>spokesperson</p> <p>Ensure key (strategic or business) communications are approved by Senior Management and Board</p> <p>Implement complaints procedures</p>
Relationship with funders	Deterioration in relationship may impact on funding and support available	Impact 2, Likelihood 2	<p>Ensure regular contact and briefings to major funders</p> <p>Report fully on projects</p> <p>Meet funders' terms and conditions</p>
Government / Policy	<p>Availability of contract and grant funding</p> <p>Impact of tax on voluntary giving</p> <p>Impact of general legislation or regulation on activities undertaken</p> <p>Impact on participants right and wellbeing</p>	Impact 2, Likelihood 3	<p>Monitor proposed legal and regulatory changes</p> <p>Membership of appropriate umbrella bodies (NCVO, NAVCA, FSI)</p>
Law and regulation compliance			

<p>Compliance with legislation and regulations appropriate to the activities, size and structure of the charity</p>	<p>Fines, penalties or censure from licensing or activity regulators</p> <p>Employee or consumer action for negligence reputational risks</p> <p>Reputational risks</p> <p>Impact on funding</p>	<p>Impact 3, Likelihood 2</p>	<p>Identify key legal and regulatory requirements</p> <p>Review and agree compliance procedures and allocation of staff responsibilities</p> <p>Obtain compliance reports from regulators (where appropriate) - auditors and staff to consider and action at appropriate level</p>
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Risk Assessment Methodology

Impact

Descriptor	Score	Impact on service and reputation
Insignificant	1	<ul style="list-style-type: none"> ● no impact on service ● no impact on reputation ● complaint unlikely ● litigation risk remote

Minor	2	<ul style="list-style-type: none"> ● slight impact on service ● slight impact on reputation ● complaint possible ● litigation possible
Moderate	3	<ul style="list-style-type: none"> ● some service disruption ● potential for adverse publicity - avoidable with careful handling ● complaint probable ● litigation probable
Major	4	<ul style="list-style-type: none"> ● service disrupted e.g. long term sickness ● adverse publicity not avoidable (local media) ● complaint probable ● litigation probable ● Sudden loss of funding
Extreme	5	<ul style="list-style-type: none"> ● service interrupted for significant time ● major adverse publicity not avoidable (national media) ● major litigation expected ● resignation of senior management ● resignation of board ● major premises related issue e.g. burglary ● loss of beneficiary confidence

Likelihood

Descriptor	Score	Example
Remote	1	may only occur in exceptional circumstances

Unlikely	2	expected to occur in a few circumstances
Possible	3	expected to occur in some circumstances
Probable	4	expected to occur in many circumstances