



## Appendix 1 – CBT Operational Risk Register (February 2023)

*CBT Operational Risks are shown in risk score order (highest risk first)*

### Risk 12 – Grant Making Systems

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Flight path
12 Grant - Making systems  13-Dec-2022 Scott Nixon	<p><b>Cause:</b> Failure of external providers or contractors to deliver IT and other funding management systems, or failure of staff to properly operate the systems.</p> <p><b>Event:</b> Uncertainty on reliance of the systems to identify control breaches or issues (because of provider error or data not being recorded appropriately or being flagged to the relevant individuals).</p> <p><b>Effects:</b></p> <ul style="list-style-type: none"> <li>• IT failure leading to inability to access records.</li> <li>• Issues that emerge with grant applicants not dealt with appropriately leading to poor communications, reputational risk.</li> <li>• Failure to follow up on conditions attached to grants and ensure they are enforced.</li> <li>• Failure to report on the correct information where changes are made manually and not in a way that is picked up for financial reporting.</li> <li>• Increased possibility of fraud and error (should system be run in manual mode).</li> </ul>	 <p>Impact 12</p>	<p>No change to risk score at latest update – mitigating actions in progress as planned.</p> <p>21-Feb-2023</p>	 <p>Impact 8</p>	<p>31-Dec-2023</p> <p>Reduce</p>	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
12a New Grant Making system	To procure a new grant making system and transition from BBGM to Salesforce.	The CRM procurement process has been completed. Phase 1 of the build has commenced which will complete by late June 2023, in anticipation of the existing grant making database contract terminating on 1 <sup>st</sup> August 2023. No issue to report to date.	Scott Nixon	15-Feb-2023	31-Jul-2023
012b Grant making system training	To deliver ongoing tailored training to staff in use of the new system.	Training for key staff and super users is being delivered as part of the User testing process. Wider training will commence in May/June 2023.	Scott Nixon	15-Feb-2023	30-Jun-2023
012c Maintain grant making current system	To continue to follow current processes for using BBGM and ensure appropriate oversight and maintenance of the system.	The current BBGM system is fully functional and fit for purpose with no issues reported.	Scott Nixon	15-Feb-2023	31-Jul-2023

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### Risk 9 – Funding Team: Staff recruitment and retention

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Flight path
<b>9 - Funding Team Staff recruitment and retention</b>  13-Dec-2022 Sacha Rose-Smith	<p><b>Cause:</b> Recruitment market conditions, unattractive salaries and terms/conditions of service, responsiveness of internal HR systems for arranging interviews etc, culture of the charity not welcoming, delays in sign off for Funding Team resource plan.</p> <p><b>Event:</b> Inability to recruit and retain the right number/quality of staff, particularly in the professional funding area.</p> <p><b>Effects:</b></p> <ul style="list-style-type: none"> <li>• Delays in making grants.</li> <li>• Complaints from those who have applied or wish to apply for grants.</li> <li>• Adverse impact on the reputation of the charity.</li> <li>• Low morale/increased stress amongst existing staff.</li> <li>• Failure to achieve delivery objectives set out the CBT business plan.</li> <li>• High staff turnover.</li> <li>• Adverse impact on ability to deliver on uplifted spend</li> <li>• Reliance on freelance assessors at higher cost to charity</li> </ul>	<p>Likelihood</p> <p>Impact 6</p>	No change to risk score at latest update – mitigating actions in progress as planned.  21-Feb-2023	<p>Likelihood</p> <p>Impact 4</p>	31-Mar-2024  Reduce	

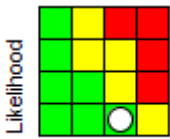
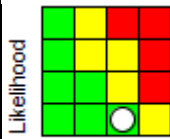
Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
9a Head of People	To onboard the new BHE Head of People role who will be responsible for leading on HR matters.	Caroline Reeve, BHE Head of People, started in role on 1 February and an induction schedule has been arranged to support her successful onboarding.	Simon Latham	10-Feb-2023	30-Apr-2023
9b People Strategy	To develop a new overarching BHE People Strategy.	BHE Head of People is working with BHE COO to identify key priorities for the BHE People Strategy ensuring alignment with the wider City Corporation's People Strategy.	Caroline Reeve	16-Feb-2023	31-Mar-2024
9c Identify solutions - Recruitment and retention	Head of People to work closely with the Chief Funding Director to understand and improve issues (e.g., fixed term contracts, HR delays) regarding recruitment and retention within the Funding Team.	Initial discussions have taken place between the BHE Head of People and the Chief Funding Director and a plan agreed to address key issues around fixed term contracts.	Caroline Reeve	16-Feb-2023	31-Aug-2023
9d One Charity Culture	To continue to develop one charity culture and opportunities for staff engagement, including the development of BHE values.	A culture change programme is being developed for 2023/24 to support the further development and embedding of a one charity culture. Recent opportunities for staff engagement have been	Amelia Ehren	10-Feb-2023	31-Mar-2024

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		introduced and are providing opportunities for staff to engage with other teams in the charity. BHE values work to be developed in the summer '23, alongside the roll out of the new brand.			
9e Funding Team Development	To continue to provide team-building opportunities for the Funding Team, both internally and externally. <b><u>(On going action)</u></b>	An away day for the funding team has been scheduled for 4th May 2023. This will provide opportunities for the team to come together and further our journey towards being one organisation.	Sacha Rose-Smith	16-Feb-2023	31-Mar-2024
9f Diversity, Equity and Inclusion	To continue to embed DEI practices that support an inclusive and diverse environment. <b><u>Ongoing action.</u></b>	Officers continue to implement the DEI Action Plan, whilst also considering new actions to advance more inclusive practices across the charity.	David Farnsworth	21-Feb-2023	31-Mar-2024

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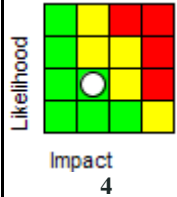
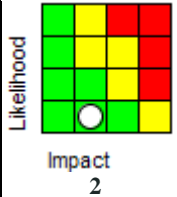
### Risk 7 – Non-compliant funding applications and payments

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Flight path
7 - <b>Non-compliant funding applications and payments</b>  13-Dec-2022 Sacha Rose-Smith	<p><b>Cause:</b> Staff fail to apply robust checks and approvals in line with defined procedures and processes.</p> <p><b>Event:</b> Incorrect /fraudulent grant payments may be processed.</p> <p><b>Effects:</b></p> <ul style="list-style-type: none"> <li>Funded organisations having to repay (significant) amounts or in worst case scenario charity funds being lost and unable to be recovered.</li> <li>Adverse impact on reputation on CBT</li> <li>Internal/external audit/investigations into loss/errors.</li> </ul>	 <p>Likelihood</p> <p>Impact 4</p>	<p>No change to risk score at latest update – mitigating actions in progress as planned.</p> <p>21-Feb-2023</p>	 <p>Likelihood</p> <p>Impact 4</p>	31-Mar-2024	
					Accept	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
7a Grants Manual	To continuously use and update the Grants Manual.	Ongoing action – Grants Manual is updated as and when required.	Sam Grimmatt -Batt	15-Feb-2023	31-Aug-2023
7b Funding Officers Manual	To develop a new Funding Officers manual which outlines relevant processes and procedures for processing grants and payments etc.	Funding Officer manual development commenced on 6 <sup>th</sup> February 2023. Due to other priorities the team will take a slow and steady approach to its development and implementation. A lead Funding Officer has been assigned initially who will after laying the foundations of the manual will open up the development to the wider FO team for input.	Scott Nixon	15-Feb-2023	31-Aug-2023
7c Staff Training	To provide to Funding Managers and Funding Officers the policies, processes and procedures regarding funding applications and payments.	Ongoing action – officers provided with relevant policies, processes and procedures.	Sacha Rose-Smith	15-Feb-2023	31-Mar-2024
7d Member Training	To provide training and support to Members in the relevant processes and procedures for decision-making on funding applications. <u>Ongoing action.</u>	Training requirements for the Grants Committee are being scoped and developed for 2023/24, working closely with the Funding Team and Impact & Learning Team to roll out relevant training.	Amelia Ehren	10-Feb-2023	31-Mar-2024
7e Financial controls	To continue to follow appropriate City Corporation and BHE control frameworks e.g., new supplier details, procurement regulations, payment approval processes. <u>Ongoing action.</u>	Financial controls continue to be followed with no issues reported to highlight at this stage.	Scott Nixon	21-Feb-2023	31-Mar-2024

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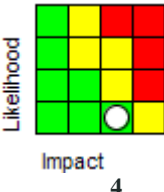
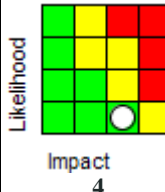
### Risk 8 – Ineffective budgetary control and financial reporting

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Flight path
8 - Ineffective budgetary control and financial reporting  13-Dec-2022 Sacha Rose-Smith	<b>Cause:</b> Poor/effective budgetary control; budget holders lack relevant financial training, skills or experience; financial controls /procedures not followed/enforced. <b>Event:</b> There is insufficient management control and focus on the CBT budget. <b>Effects:</b> <ul style="list-style-type: none"> <li>Budget does not match key objectives</li> <li>Decisions made on inaccurate financial projections or reporting.</li> <li>Overspending against agreed budget, hence committing unauthorised funds.</li> <li>Underspending against agreed budget, hence not utilising funds for agreed purposes.</li> <li>Inability to meet commitments or key objectives (as set out in the business plan).</li> </ul>		No change to risk score at latest update – mitigating actions in progress as planned.  21-Feb-2023		31-Aug-2023	
					Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
8a Training	BHE & Charities Finance Team to develop and deliver training for budget holders.	Further training opportunities being developed for 2023/24.	Helen Martins	22-Feb-2023	31-Aug-2023
8b Budget Monitoring Meetings	Budget holders and Finance Business Partner to meet on a monthly basis to review budgets and maintain oversight. <u>Ongoing action.</u>	Meetings continue as scheduled.	Helen Martins	22-Feb-2023	31-Aug-2023
8c Financial controls	To continue to follow appropriate City Corporation and BHE financial control frameworks. <u>Ongoing action.</u>	Financial controls continue to be followed with no issues reported to highlight at this stage.	Scott Nixon	15-Feb-2023	31-Aug-2023
8d Financial reporting	To ensure that the Grants Committee receive regular and updated management accounts.(At least quarterly). <u>Ongoing action.</u>	Budget monitoring report provided to Grants Committee in March.	Helen Martins	22-Feb-2023	31-Aug-2023

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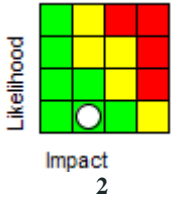
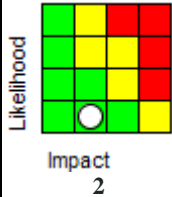
### Risk 10 – Failure to deliver work in the best interests of communities most impacted on by inequity and lack of diversity.

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Flight path
<b>10 - Failure to deliver work in the best interests of communities most impacted on by inequity and lack of diversity.</b> 13-Dec-2022 David Farnsworth	<b>Cause:</b> Lack of awareness and understanding by Members and officers of equity, diversity and inclusion issues for the communities that could apply to CBT for funding. <b>Event:</b> Insufficient regard is given by CBT to equity, diversity and inclusion issues in the design and delivery of funding. <b>Effects:</b> <ul style="list-style-type: none"> <li>• Non-compliance with CoLC and BHE policies.</li> <li>• Inability to deliver funding to London’s communities – leading to greater inequality.</li> <li>• Failure to achieve stated objective(s) in business plan.</li> <li>• Negative publicity and damage to the charity’s, and its Trustee’s, reputation</li> </ul>		No change to risk score at latest update – mitigating actions in progress as planned.  21-Feb-2023		31-March-2024	
					Accept	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
10a DEI Working Group	To continue committing support to the DEI Working Group to develop and deliver on the DEI Action Plan, and ensure it is embedded within our funding workstreams. <b>Ongoing action.</b>	The DEI Working Group continue to meet on a monthly basis, with ‘sub-groups’ progressing relevant strands of the DEI Plan. The DEI Plan is due to be updated for 2023/24, following the expansion of the group to all teams within BHE.	David Farnsworth	21-Feb-2023	31-Mar-2024
10b DEI Member & Staff Training	To procure consultants to deliver DEI training to staff and then roll-out this training to Members of the BHE Board & Grants Committee	Following a retender exercise a suitable proposal has been received. An initial conversation has been had with a potential provider. Further internal conversations are planned to agree the scope and aims of the training before contracting with the provider.	Sacha Rose-Smith	21-Feb-2023	31-Aug-2023
10c Review of Funding Policies	To (regularly) review the CBT Funding Policies to ensure that funding priorities reflect the needs of London’s diverse communities.	A review of our funding policies will be included in the scope for the end-to-end review that is planned for 23/24.	Sacha Rose-Smith	21-Feb-2023	30-Jun-2023
10d Equity Partners	To continue to engage with equity partners in the design and delivery of relevant processes, including funding strategies and programmes. <b>Ongoing action</b>	Ongoing action – CBT continue to engage with equity partners.	David Farnsworth	22-Feb-2023	31-Mar-2024

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### Risk 11 – Strategic Planning (Bridging Divides)

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Flight path
11 - Strategic planning (Bridging Divides)  13-Dec-2022  David Farnsworth	<p><b>Cause:</b> There is ineffective/robust processes for developing revisions to the “Bridging Divides” funding policy and other related funding plans and policies.</p> <p><b>Event:</b> CBT lacks direction, strategy, and forward planning</p> <p><b>Effects:</b></p> <ul style="list-style-type: none"> <li>• CBT does not create workable strategic and may fail to achieve its stated objectives.</li> </ul> <p>Lack of strategic planning makes it difficult to produce accurate budgets and put in place staffing resources needed to deliver the work.</p>		<p>No change to risk score at latest update – mitigating actions in progress as planned.</p> <p>21-Feb-2023</p>		Accept	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
11a BHE Strategic Framework	To undertake a review of all BHE’s strategies and develop an appropriate overarching framework for the future development of the charity’s strategies and policies, ensuring there is alignment between the funding policy and the Bridging London Strategy.	A review of all BHE strategies is due to take in the spring/summer 2023, with relevant recommendations being discussed with officers and Members as appropriate.	Amelia Ehren	10-Feb-2023	31-Jul-2023
11b Workplan	To deliver and maintain the Funding Team Workplan. <b><u>Ongoing action.</u></b>	The Funding Directors have recently met and agreed our workplan for 23/24. This will be shared at the away day with the team on 4 <sup>th</sup> May.	Sacha Rose-Smith	21-Feb-2023	31-Mar-2024
11c Consultation with stakeholders	When necessary, to consult with appropriate persons regarding the funding policy, as required by Order of the Charity Commissioners, dated 10 July 1997.	Ongoing action – no update as at February 2023.	Sacha Rose-Smith	23-Feb-2023	31-Mar-2024