Benenden Village Trust Risk Identification and Management
FINANCE, GOVERNANCE AND COMPLIANCE

Monitoring Process	Performance reports reviewed quarterly by trustees of the working group and in conjunction with the Risk Management group.
Responsibility	Trustees (primary) and Working group (secondary)
Dates of review	Half yearly or more. Agenda item for working group and trustee meetings.

RISK MATRIX Low Medium High

Severity of Impact

Extreme/Catastrophic	5	5	10	15	20	25
Major	4	4	8	12	16	20
Moderate	3	3	6	9	12	15
Minor	2	2	4	6	8	10
Insignificant	1	1	2	3	4	5
Likelihood of occurrence		1 Remote	2 Unlikely	3 Possible	4 Probable	5 Highly Probable

PERFORMANCE REPORTS

Governance Risks

Potential risk identified	Likelihood score	Severity score	Overall risk	Steps to mitigate risk and control procedure	Retained or net risk	Follow up and next steps	Completion date
Trustee body lacks relevant skills or commitment Inappropriate organisational structure and leadership Lack of awareness amongst trustees of their responsibilities and relationship with other trustees and employees Charity lacks direction, strategy and forward planning	3 2 2 3	4 3 4 4	12 9 8 12	• Agree upon a working group and review regularly. • Recruit a diverse Trustee body ensuring sufficient numbers and balance of interests and skills amongst Trustees. • Ensure tasks are shared among trustees. • Review Organisation Chart annually in light of Trust's activities. • Trustee training as needed. • Review Working Groups Terms of Reference as needed. • Create a strategic plan which sets out the key aims and objectives and review it regularly. • Create and monitor financial and operational targets and performance. • Agree procedural framework for meetings and recording decisions.	Medium Medium Medium Medium	Finance Group meet at least quarterly and review procedure as necessary. Strategic plan ongoing.	01.06.26
Conflicts of interest	2	2	4	• Agree protocol for disclosure of potential conflicts of interest and standing orders for meetings, including declarations of interest. • Put in place procedures for Trustees not voting on "conflicted" issues. • Review Decision Making and Delegation Policy.	Low	Finance Group meet at least quarterly and include a review of any Working Groups' Declarations as necessary.	

Lack of appropriate levels of staffing and training	3	4	12	• Review staff structure and terms of employment annual with performance review. • Review HR Working Group's recruitment and selection processes.	Medium	Responsibility shared with HR group.	
Poor external audit	3	4	12	• Use Qualified auditor to give certification.	Medium		
Insufficient insurance cover Lack of adequate insurance against corporate and personal risks	3 3	5 5	15 15	• Annual review of insurance schedule. • Appropriate expert advice sought. • Annual review of insurance schedule. • Appropriate expert advice sought.	High High	Reviewed annually.	

Operational Risks

Potential risk identified	Likelihood score	Severity score	Overall risk	Steps to mitigate risk and control procedure	Retained or net risk	Follow up and next steps	Completion date
Availability, number, accessibility of bank account signatories	2	3	6	• Assess and review authorization procedures • Ensure adequate numbers of trustees and staff are authorised signatories and available • Review and include in Financial Regulations Policy	Low	Finance Group meet at least quarterly and include a procedure review.	Review to be undertaken July 26
No access to email and online accounts in the event of incapacitation of staff	3	5	15	• Passwords shared and securely held by named Trustee – currently the Chairman.	High	Finance Group meet at least quarterly and include a procedure review.	Review to be undertaken July 2026

Financial Risks

Potential risk identified	Likelihood score	Severity score	Overall risk	Steps to mitigate risk and control procedure	Retained or net risk	Follow up and next steps	Completion date
Inaccurate and/or insufficient financial information	3	5	15	• Timely and accurate reporting. • Ensure suitably experienced Trustees on the Finance Working Group.	High	Finance Group meet at least quarterly and include a procedure review.	
Inadequate investment management policies (funds, bank accounts, COIF investments and assets) Inadequate reserves and cash flow Performance of COIFF Changes in interest rates and rates of inflation Poor procurement	2 2 3 3 2	5 2 4 4 4	10 4 12 12 8	• Regular meetings/reporting. • Budget monitoring. • Cashflow and forecasts. • Financial Regulations Policy. • Reserves Policy. • Minutes of meetings properly reflect decisions. • Maintain cash reserves in accordance with Reserves Policy. • Monitor performance against benchmarks and consider change of management organisation if performance is not maintained. • Inflation in operating costs is a major issue if it is not possible to raise hire rate for the Village Hall and rental income. The rates and rents charged and competitive analysis must be kept under constant review. • Ensure that procurement policies are reviewed	Medium Low Medium Medium Low	Creation of Investment Policy document. Review of COIF performance. Hire rates reviewed annually. Rental income reviewed on lease renewal.	Autumn 2026

				annually and that they are complied with. • Maintain good relations with suppliers and contractors.			
Dependency on limited income sources Not optimizing income from assets Vacancies and voids in tenancies Non-payment of/default in payment of rents; bad debts	3 3 2 2	4 3 4 4	12 9 8 8	• Develop, review and implement a strategy for the portfolio to optimize the return for all the assets. • The rates and rents charged and competitive analysis must be kept under constant review. • BVT Manager to maintain a diary of lease events to ensure that appropriate action is taken in a timely manner and that FGC Group reviews the diary at its meetings. • Appropriate due diligence at the time that leases are entered into and suitable deposits are taken and regular review of payment performance by debtors by FGC Group in conjunction with BVT Manager.	Medium Medium Medium Medium		Review in progress 01.06.26
Misappropriation of funds	3	5	15				

Environmental or External Factors Risks

Potential risk identified	Likelihood score	Severity score	Overall risk	Steps to mitigate risk and control procedure	Retained or net risk	Follow up and next steps	Completion date
Poor public perception and reputation	1	2	3	• Keep all parishioners informed about projects and changes and give them a chance to comment on proposals.	Low	Finance Group meet at least quarterly and include a procedure review	
Non-compliance by hirers/tenants	3	4	12	• BVH Management to ensure every hirer knows the rules and regulations at the time of booking.	Medium		
Pandemic	3	5	15	• Severity would be reduced if Government grants are again issued • Ensure that BVT Manager is aware of all opportunities to apply for available grants.	High		

Compliance risk (law and regulation)

Potential risk identified	Likelihood score	Severity score	Overall risk	Steps to mitigate risk and control procedure	Retained or net risk	Follow up and next steps	Completion date
Ignorance of changes in rules and regulations and charity and corporate law Poor knowledge of legal responsibilities as an employer	3 2	4 4	12 8	• BVT Manager to be vigilant in keeping up to date with Charity Commission rules and regulations, local Bye-Laws and Acts of Parliament and Directives • BVT Manager and leader of HR Working Group to be vigilant in keeping up to date with changes in employment legislation	Medium Medium	Finance Group meet at least quarterly and include a procedure review	Review of constitution and Charity Commission restrictions on reserves usage completed June 2024