

Barnardo's Risk Appetite Statement 2024

Introduction

Our risk appetite statement sets out how we balance risk and opportunity in pursuit of achieving our objectives.

It forms a key element of our governance and risk management framework and is set by the Board of Trustees.

The statement is reviewed annually, and the Corporate Leadership Team monitors implementation to ensure that outcomes are consistent with the overall risk appetite and where appropriate sets risk metrics which are tracked and reported to the Board of Trustees on a regular basis.

Overarching Statement

Barnardo's accepts degrees of risk in delivering our ambitious strategy to ensure we achieve better outcomes for more children. Our individual risk appetite statements are designed to reflect the unique circumstances within each individual risk category and all our decisions will be based on the opportunity, completion of appropriate due diligence, and a review of the identified risks.

To be successful Barnardo's must remain a robust and financially sustainable organisation with sufficient capacity to support all stakeholders and therefore our core risks must be managed.

We will address situations and take actions where our reputation is at risk from unacceptable behaviours or values by our colleagues or volunteers.

Definitions used

Risk appetite/risk level	Description	Indicative risk score
Averse/none	Avoidance of risk and uncertainty is a key organisational objective.	1- 2
Minimal/low	We have a strong preference for safe/compliant option and accept this may limit potential.	3-6
Cautious/limited	Preference for safe options that have a low degree of risk.	7-10
Open/high	Willing to consider all potential options and choose one most likely to result in successful delivery.	12 -16
Hungry/significant	Eager to be innovative and choose activities that focus on maximising opportunities and offering potentially very high reward.	16+

Individual statements for significant risks

Risk category/Risk owner	Statement	Risk appetite/ Risk Level
<p>Governance, Legal and Compliance</p> <p>Primary CEO supported by Company Secretary.</p>	<p>We are committed to maintaining the highest standards of integrity and good governance. We acknowledge we operate in a complex and evolving regulatory environment and will make every effort to meet the expectations and comply with relevant rules and regulations of UK Charity Commission.</p> <p>We have minimal appetite for non-conformity.</p>	<p>Minimal/Low</p>
<p>People</p> <p>Corporate Director Business Services and Director People & Culture</p>	<p>Recruitment, retention and development</p> <p>Our colleagues and volunteers are critical to the delivery of our services and achieving our strategic objectives.</p> <p>We are committed to enabling our colleagues to grow and thrive – our colleagues and our volunteers – and growing a culture where everyone feels they can belong. We want brilliant people to work for us, and nurturing, developing and investing in our colleagues and our culture is a key focus for the charity.</p> <p>We recognise the current external environment context affecting our colleagues and the charity, however, we will be ambitious in seeking to create a colleague experience we can be proud of for our colleagues and volunteers and are willing to accept limited risks to do so within the financial parameters of the charity.</p> <p>Behaviour</p> <p>We place importance on a culture of equality, diversity and inclusion, dignity and respect, collegiality and the health, safety and wellbeing of our colleagues and volunteers. We will address situations and take actions for any deviation from our standards in these areas.</p>	<p>Cautious/Limited – recruitment and development Pay, Benefits and Terms and Conditions</p> <p>Averse/None - Misconduct</p>
<p>Safeguarding / Health and Safety</p> <p>Corporate Director Children Services, Corporate Director Business Services, Safeguarding Champions and Director People & Culture</p>	<p>At Barnardo's our purpose is clear - Changing Childhoods and Changing Lives, so that children, young people, and families are safe, happy, healthy, and hopeful. We are committed to providing a safe and healthy environment for all our service users, their families, and our colleagues.</p> <p>We acknowledge we work in an inherently high-risk environment which means we are unable to set our risk appetite at averse/none, however, we will not knowingly tolerate any behaviours or practices that could lead to anyone being abused and exploited by our staff or associated personnel.</p>	<p>Minimal/low</p>
<p>Financial sustainability</p> <p>Corporate Director Business Services</p>	<p>We assess financial risks from both a strategic and operational perspective and aim to work within financial parameters. We have a low appetite for any activity or outcome that might risk the financial sustainability of our organisation.</p> <p>At all times we require a balance between the continuing needs of service users and the long-term financial stability of the charity and understand that it is not always possible to eliminate all risks.</p> <p>The scale of our pension deficit presents a significant risk to the charity, and we need to balance the need to meet our commitments to our former and existing employees and their pensions with the other significant demands on our limited resources. This is largely addressed by implementing a robust, long term, recovery plan to reduce the pension deficit over time.</p> <p>We have minimal appetite for any practices which might cause financial loss through the failure to apply proper financial controls.</p>	<p>Minimal/Low</p>
<p>Information security and Information technology</p> <p>Corporate Director Business Services</p>	<p>Barnardo's is committed to protecting the confidentiality, integrity and availability of its information assets. We will take a cautious approach to managing our information security risks balancing the need to protect the Charity within our financial perimeters and risk profile.</p> <p>We require our digital infrastructure to be secure and relevant for its intended purpose. A balanced approach is required between investment and outages.</p> <p>We have minimal appetite for misuse of information or poor data quality and integrity.</p> <p>We have ambitions to become a more digital organisation both in the way we interact with our service users but also in the way we manage our activities. We are willing to consider different potential options in pursuit of this goal.</p>	<p>Cautious/Limited</p> <p>Minimal/Low</p> <p>Minimal/Low</p> <p>Open/High</p>

Risk category/Risk owner	Statement	Risk appetite/ Risk Level
<p>Fundraising /Income Generation</p> <p>Corporate Director Business Services and Managing Director Barnardo's Retail & Trading</p> <p>Director of Fundraising and Marketing</p>	<p>We have ambitious plans to grow and diversify our income streams. We will ensure that all fundraising and trading activities are efficient and adhere to the regulatory environment. We have a high-risk tolerance for unlocking fundraising opportunities within the charity and income opportunities in our subsidiaries.</p> <p>When working with external partners we would not collaborate if there is a misalignment with our values and principles. The level of potential reward will be a secondary consideration in such circumstances and we focus first on the ability to deliver our purpose.</p> <p>We have launched (in conjunction with our new Strategy) a bold and distinctive refresh of our brand and a new brand strategy to help unlock fundraising and trading opportunities making Barnardo's attractive to more people who want to donate, volunteer, shop and advocate.</p>	<p>Open/High</p> <p>Minimal/Low</p>
<p>Service delivery</p> <p>Corporate Director Children Services and Corporate Director Development & Innovation</p>	<p>Barnardo's delivers programs supporting the most vulnerable children. The risks of failing to act often outweigh the risks of engagement and therefore service decisions are based on thorough analysis and the application of risk management strategies.</p> <p>We will bid for services which meet our strategic objectives, are financially viable and have acceptable risk profiles. In parallel, we seek strategic alliances and opportunities to influence change. We innovate in response to sticky problems, unmet need and gaps in the market. We will consider responding to emergency or crisis situations impacting children in the UK that are in line with our charitable purpose and we are certain that we can add value.</p> <p>Innovation and testing of new services may occasionally lead to the outcomes/impact not being as envisaged and the risk of occasional failure is accepted. However, there is a low appetite for failure to deliver project objectives as a result of factors within our control.</p> <p>We will provide high quality services and not accept risks that could limit our ability to fulfil this. We will not accept risk that could result in poor quality care or unacceptable clinic risk, non-compliance with standard or professional practice.</p>	<p>Open/High - Innovation/tenders</p> <p>Minimal/Low - Project objectives/delivery failure in our control</p> <p>Minimal/Low - Safeguarding</p>
<p>Influencing system change</p> <p>CEO</p>	<p>We will engage with the government and other policy influencers and makers with a view to ensure better outcomes for children and acknowledge such activities may carry high risk. However, we will always ensure the benefits and risks are understood and that reasonable and sensible risk mitigation measures are in place.</p>	<p>Open/High</p>
<p>Strategic developments</p> <p>CEO</p>	<p>We have a high risk appetite for innovation and the value it will bring to Barnardo's as well as the children we serve and we will ensure the relevant capabilities and resources are aligned to our operational plans to deliver our strategic ambitions.</p> <p>All charities must undergo change and at times such change may be major and high risk. Our current priorities include refreshing our corporate strategy and purpose statement and becoming a diverse, digital and data led and learning organisation. We will always ensure that the benefits and risks are understood, and we have right skills and knowledge before activities or projects are authorised. Robust governance is in place to monitor priorities, emerging risks and our ability to complete all projects effectively.</p>	<p>Open/High</p>
<p>Reputation</p> <p>CEO</p>	<p>As a charity public scrutiny is high and Barnardo's aims to be transparent, and we have a low appetite for activities that may compromise our brand. However, we recognise as we try to influence and create system change some of our work may generate negative public perception and media coverage which may affect our reputation.</p> <p>We will mitigate associated risks by ensuring that we can demonstrate to regulators, commissioners and our supporters and beneficiaries, that our decision making is carefully and closely aligned with our charitable purpose and objectives and that the potential benefits outweigh the risks. Our Advocacy and Campaigning Policy and Social Media Policy provide frameworks to keep us in line with our charitable objects, our regulatory requirements, and our agreed priorities. Through this defensible decision-making approach we will also prepare to respond to negative commentary and scrutiny.</p>	<p>Minimal/Low – protecting our brand, but we acknowledge the indirect consequences of external responses when influencing may lead to a higher level of risk</p>

Version control

Version	Date	Author	Status	Comment
001	26 May 2021	Director of Audit and Assurance	Approved by the Board of Trustees in May 2021	
002	28 March 2022	Reviewed by Internal Audit Manager	For review by CLT and Risk Committee before approval by the Board of Trustees. Approved by CLT, Risk Committee and Board of Trustees in May 2022.	
003	6 April 2023	Review by Head of Internal Audit and Operational Risk	For review by CLT and Risk Committee before approval by the Board of Trustees Approved by CLT, Risk Committee and Board of Trustees in May 2023.	
004	May 2024	Review by Head of Internal Audit and Operational Risk	For review by CLT and Risk Committee before approval by the Board of Trustees	