



# The Painsley Catholic Academy

Better Together

THE PAINSLEY CATHOLIC ACADEMY

RISK MANAGEMENT, RISK REGISTER AND RESPONSE TO RISK PLAN

2020/21

<b>Approved by:</b>	Directors	<b>Date:</b> September 2020
<b>Last reviewed on:</b>	August 2020	
<b>Next review due by:</b>	August 2021	

## 1. RISK MANAGEMENT

- 1.1 The management of risks to The Painsley Catholic Academy is undertaken in accordance with the Master Funding Agreement and the Academies Financial Handbook (September 2020).
- 1.2 The Board of Directors are responsible for risk management and for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding public funds and other funds and assets for which it is responsible. The Board of Directors are advised in this role by the Audit and Risk committee and both are advised and informed by the multi-academy Executive Leadership Team which includes the Accounting Officer and Chief Financial Officer for the academy.
- 1.3 The Board of Directors fulfils its role by establishing the system of internal control:
  - 1.3.1 Approving and reviewing a series of policies that underpin the internal control process; the financial policies include the Accounting Finance and Resources policy, Giving and Receiving of Gifts policy, Counter Fraud Theft and Corruption policy and Financial Risk Management policy;
  - 1.3.2 agreeing objectives, plans and resources by means of the budget and the School Development Plans and the over-arching Academy Development Plan;
  - 1.3.3 approving this policy statement and the attached Risk Register (prepared by the Audit and Risk committee and monitored by both the Resources committee and the Audit and Risk committee) and reviewing them carefully each year to identify risks, near misses and opportunities;
  - 1.3.4 considering carefully the advice from the internal Health Check Audit, Internal Auditor checks, Auditors and the Audit & Risk committee on internal financial controls, together with advice from any external consultants or inspectors.
- 1.4 The Senior Leadership Team within each school across the multi-academy fulfils its Risk Management role by:
  - 1.4.1 Implementing Directors' policies on risk management and internal control;
  - 1.4.2 advising the Audit and Risk committee of the fundamental risks faced by the academy and helping to evaluate them;
  - 1.4.3 providing timely and sufficient information to Directors and the Audit and Risk committee on the status of risks and controls;
  - 1.4.4 assisting the Audit and Risk committee to draw up and revise the Risk Register;
  - 1.4.5 working to embed risk management and risk-based internal control in all aspects of the academy's management.
- 1.5 The Risk Register is revised annually by the Audit and Risk committee who will recommend it to the Board of Directors.

- 1.6 In its annual review of the Risk Register the Board of Directors should consider the following:
  - 1.6.1 Whether risk management continues to be linked to the multi-academy's objectives via the Academy Development Plan;
  - 1.6.2 The appropriate risk appetite or level of exposure to the multi-academy as a whole;
  - 1.6.3 Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the academy's objectives;
  - 1.6.4 whether risk assessment and risk-based internal control are embedded in ongoing operations and form part of its culture;
  - 1.6.5 changes in the nature and extent of fundamental risks and the academy's ability to respond to changes in its internal and external environment since the last assessment; the scope and quality of management's on-going process of monitoring the system of internal control including such elements as the effectiveness of assurance functions;
  - 1.6.6 The extent and frequency of reports on internal control to the Board of Directors and whether this is sufficient for the Board of Directors to build up a cumulative assessment of the state of control and effectiveness of risk management;
  - 1.6.7 The incidence of any fundamental control failings (risk events) or weaknesses identified at any point within the year (near misses) and the impact that they have had or could have on financial results;
  - 1.6.8 The effectiveness of the academy's public reporting processes;
  - 1.6.9 The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.
- 1.7 Related Policy: Business Continuity Plan (in place for individual schools across the multi-academy).

**Explanation of the Responses to Risk outlined in the Risk Register:**

TRANSFER	This may be done by conventional insurance or by paying a third party to take the risk in another way.
TOLERATE	Exposure to risk may be tolerable without any further action. Alternatively, it may not be possible to do anything about the risk without a disproportionate cost.
TREAT	This may not obviate the risk – it is more likely that the aim will be to contain it to an acceptable level.
TERMINATE	This response is used when the only way to contain a risk to acceptable levels is to discontinue the activity that gives rise to the risk (not possible if there is a legal duty to engage in the activity).

**Abbreviations used in the Risk Register:**

BOD = Board of Directors

AO = Accounting Officer

CFO = Chief Financial Officer

P's = Principals

IA = Internal Auditor

AFO = Academy Finance Officers

ACCS = Accountants

SBMs = School Business Managers

RAG rating: 'red' = 20-25, 'amber' = 10-19, 'green' = 0-9

## THE PAINSLY CATHOLIC ACADEMY RISK REGISTER

### A. Strategic and Reputational Risks

Category	Sub-category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high,1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action	Date of next review
A1. Strategic risk	Charitable objects risk	Charity if not operating within its objects	1	3	Treat	Resources Committee reviews	BOD	January 2021
		Charity's objects become out of date / are no longer appropriate	1	1	Tolerate	Members keep under review	AGM Sept/Oct	January 2021
		Charity receives unfavourable Ofsted report	2	4	Treat (+ Ensure Improvement plan in place)	Regular review of individual school evaluations and Principal's targets	Principals' Performance Review and BOD	January 2021
	Charitable status risk	Risk that charity could lose its charitable status	1	4	Tolerate	Resource Committee reviews	BOD	January 2021
	Long term demand risk	Insufficient demand for the charity's services leaves it unsustainable	1	5	Treat	Regular discussion item at SLT meetings, Admissions and LGBs	Principals and BOD	January 2021
	Competition risk	Presence of other organisations with similar objects and little scope for differentiation	3	4	Treat	Regular discussion item at MAC SLT, and BODs to identify ways of improving further	Principals and BOD	January 2021
		Other organisations competing for the same sources of income	5	5	Treat			January 2021
	Stakeholder risk	Beneficiaries/other stakeholders don't consider that charity provides a valuable/high quality service	2	4	Treat			January 2021
	Alliance / partnership risk	Appropriateness of alliance	1	1	Tolerate	Not a practical risk at present		January 2021
		Integrity of partner risk	1	1	Tolerate			January 2021
	Investment powers risk	Risk of Trustees not acting in accordance with their investment powers	2	2	Treat	Procedures in MAC Accounting policies followed	Resources committee	January 2021
	Insurance risk	Risk of financial loss/inability to replace items if charity does not have adequate insurance cover	1	4	Treat	Policy is to ensure insurance risks are fully covered	Resources committee	January 2021
	Macro-economic risk	Risk of the impact an uncontrollable event will have on the charity, e.g. recession, war, oil crisis	1	4	Treat	Manage reserves to reduce risks (a recession could possible give recruitment opportunities). See Reserves and Investment policy	P's, CFO, SBMs, AFO/ACCS and Resources committee	January 2021
	Natural disaster risk	Risk of the impact an uncontrollable event will have on the charity, e.g. fire, flood	2	3	Treat / Transfer	Business Continuity Plan is robust and tested annually. Some risk is transferred to insurers.	P's; Resources and BODs	January 2021
	Technology risk	Information security risk	5	5	Treat	Procedures in MAC ICT Policy	P's and Network Manager	January 2021
		Virus risk/corruption of data risk	5	5	Treat			January 2021
		IT systems out of date / no longer supported	2	2	Treat	Five Year MAC IT Development Plan; regularly reviewed	P's, Network Manager, Resources	January 2021
		Lack of internet/systems down which may delay work and staff meeting deadlines, especially during the holiday period	5	5	Treat	Forward planning re ICT projects and system downtime to ensure minimal impact of loss of connectivity	Network Manager and central IT support team	January 2021

### Strategic and Reputational Risks contd.

Category	Sub-category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action	Date of next review
A2. Public profile risk	Charitable objects risk	Charity not seen by the public to be meeting its objectives	1	3	Treat	Publicise what the MAC does and has achieved	P's	January 2021
		Objectives of the charity are controversial or may attract a high level of public interest	1	2	Tolerate	Not a practical risk at present		January 2021
	Trustee profile risk	Trustees have a high public profile and may cause the charity to attract publicity	1	2	Tolerate	Not a practical risk at present		January 2021
		Trustees are seen by the public to be paid a high amount of expenses	1	3	Treat	Accounting Policies refer to Directors' expenses	BODs	January 2021
		Trustees are not considered to be arms- length from the charity	2	3	Treat	Master Funding Agreement	BODs	January 2021
	Expenditure risk	Management and administration costs are perceived by the public to be high	2	3	Treat	Regularly reviewed by Resources committee against annual benchmarking activity	Resources committee	January 2021
		Senior management of the charity are seen by the public to be paid high salaries	1	3	Treat	Salaries reviewed against a fixed scale. Pay policy introduced from 1/9/14.	Performance Management and Resources committee	January 2021
		Reserves level risk – Charity seen to be holding reserves and not spending enough on its charitable objects	1	2	Treat	Not a practical risk, but perhaps treat perception by making information available	Resources committee	January 2021
	Quality of service / product risk	Charity provides a poor quality service to its beneficiaries/customers	1	3	Treat	Regularly review to ensure high standards are maintained	P's, and BODs	January 2021
	Fraud risk	Fraud discovered and the charity attracts bad publicity	1	5	Treat	Apply Response to Fraud plan – see Accounting Policies	Chair of Directors, AO and CFO	January 2021
	Failure to comply with legislation risk	<b>Failure to comply with Health and Safety legislation results in an employee/volunteer/beneficiary of the charity being injured at work, attracting bad publicity</b>	2	5	Treat	Apply Health and Safety Policy and Risk Assessments.	H&S Co-ordinator, P's and	January 2021
		Failure to comply with employment law – e.g. unfair dismissal of an employee – attracts adverse publicity	1	3	Treat	Make full use of HR and Legal advice to avoid such situations	P's and Resources committee, Staff Dismissal committee	January 2021
	Litigation risk	<b>Charity involved in litigation</b>	2	5	Treat	Maintain high standards in all aspects of the MACs work and objectives	P's, BOD	January 2021
Board of Directors organisation risk	Delegation risk	Committees not established with delegated authority, e.g. finance, personnel etc	1	3	Treat	See Articles and Association and Committee structures	BOD	January 2021
		Committee terms of reference not sufficiently flexible	1	3	Treat		BOD	January 2021

		Trustees delegate too little/too much to CEO/AO and CFO.	2	4	Treat	Annually review the Scheme of Delegation	Resources committee and BOD	January 2021
	CEO / DCEOs / CFO / Principals / absence risk	Trustees do not ensure rigorous monitoring is undertaken in the absence of the Principals and/or Business Director	2	4	Treat	Kept under regular review	Resources committee and Chair of Directors	January 2021

## B. Operational Risks

Category	Sub-category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action	Date of next review
B1. Management information risk	Quality risk	Risk that information produced (financial and non-financial) for trustees and senior management is not accurate or not in a format suitable for monitoring the performance of the charity	2	4	Treat	Information is monitored using independent sources of advice, especially Internal Auditor, Auditor, Independent advisers, RAISEonline	Resources committee, Audit & Risk committee	January 2021
	Timeliness risk	Risk that management information is not available quickly after the period to which it relates	2	3	Treat	Reviewed regularly by Resources committee and BOD	CFO	January 2021
	Review risk	Risk that management information is not subject to review	1	3	Treat	Regularly reviewed by Resources committee and BOD	Resources, and BOD	January 2021
		Risk that action is not taken after the review of management information	1	3	Treat	Clear minutes and action points. Reviewed at next meeting	Chair of individual committees	January 2021
	Quality risk	Risk that too little management information is produced to facilitate informed decision making	1	3	Treat	Kept under review by Resources committee and BOD	Resources and BOD	January 2021

### Operational Risks contd.

Category	Sub-category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action	Date of next review
B2. Human resources risk	Trustee risk	Insufficient experience of the charity/education sector	1	4	Treat	Director training	BOD	January 2021
		Trustees without required expertise	2	1	Treat	Director training	BOD	January 2021
		Lack of availability/poor attendance at meetings	1	3	Treat	Membership reviewed by BOD	BOD	January 2021
		Entrepreneurial risk – risk that trustees are too entrepreneurial. Risk that activities of the charity could be outside its objects.	1	4	Tolerate	Not a major risk at present		
		Trustees become too involved with management of the charity and are not independent of management	1	3	Tolerate			
		Trustees not act solely in the interests of the charity but for their business/other interests	1	5	Treat	Accounting Policies / Pecuniary interests	BOD	January 2021
		No member with responsibility for financial oversight is appointed	1	4	Treat	Appoint Chair and members of the Resources committee		January 2021
		Passive trustees	2	3	Treat	Director training		January 2021
	Management risk	Senior management capability/experience of charity sector risk	1	4	Treat	Provide training		January 2021

		Integrity risk	1	4	Tolerate	Not a practical risk at present		
		Key person loss/succession risk	4	3	Treat	Plan for all eventualities	BOD and P's	January 2021
		Entrepreneurial risk – risk that management is too entrepreneurial. Risk that activities of the charity could be outside its objects	1	2	Tolerate	Not a practical risk at present		
	Staff risk	Low morale risk	2	3	Treat	Monitored by staff questionnaires, line management meetings, performance management and individual school SLTs	P's	January 2021
		Retention risk	1	2	Treat			January 2021
		Recruitment risk (recruiting someone unsuitable to work with children)	1	5	Treat	Safer recruitment procedures implemented rigorously and at least one member of the interview panel has received Safer Recruitment Training.	P's; Chair of Directors	January 2021
		Appraisal / assessment risk	1	3	Treat	See Performance Management policies	P's, BODs	January 2021
		Staff matters not referred to HR professionals, may lead to tribunals	1	3	Treat	HR advice sought regularly on all difficult issues	CEO/DCEOs/ CFO/P's	January 2021
		Training risk	1	2	Tolerate	Not a practical risk at present		January 2021
		Technical capability risk	2	4	Treat	Provide training	P's	January 2021
Central finance team restructure	Team to be restructured to ensure adequate amount of support and cover of all roles to ensure no loss of business in times of sickness or absence	4	4	Treat	Restructure of central finance team	AO/CFO/Acc/ Finance team	January 2021	
Staff risk due to Covid-19	High numbers of staff way from the school due to Covid-19 – self-isolating or shielding	2	3	Treat	All teaching staff to deliver remote live teaching via Google classrooms to ensure continuity of teaching. Classroom behaviour management controlled by cover supervisors or other teaching/support staff	Principals	January 2021	
National teaching and leadership recruitment crisis	National crisis to recruit good to Outstanding teachers and Catholic Leaders	4	4	Treat	Posts to be attractive, support from Diocese, ensure excellent alumni, proactive Teaching School. Succession planning to be led by CEO.	AO/DCEO/CFO/ Ps	January 2021	

### Operational Risks contd.

Category	Sub-category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action	Date of next review
	Volunteer risk	Excessive reliance on volunteers	1	2	Tolerate	Not a practical risk at present		January 2021
		Lack of control over volunteers	1	3	Treat	Provide training	P's	January 2021
		Training risk	2	3	Treat		P's	January 2021
		Risk that volunteers are not of appropriate quality/vetted/subject to police checks	1	5	Treat	Safeguarding policy applied rigorously. New Safeguarding handbook published by MAC for volunteers	P's,	January 2021
	H & S risk	Staff fatality / injury	2	4	Treat	Health and Safety Policy and Risk Assessments applied rigorously	P's and H&S Co-ordinators in each school	January 2021
		Fatality / injury to student/third party	4	2	Treat			January 2021
Other third party risk		2	2	Treat	January 2021			



		Health and safety of staff is at risk if the Covid-19 risk assessment is not implemented thoroughly	2	4	Treat	Covid-19 risk assessment updated following government advice by CEO and communicated to Principals and all staff to implement. Principals monitor in their school settings.		January 2021
B3. Income risk	Donor risk	Charity heavily reliant on one donor	1	1	Tolerate	Not a practical risk at present		
		Donor has a strong influence / power over charity's activities	1	1	Tolerate			
	Marketing risk	Other charities competing for donations or similar sources of income	2	2	Treat	Research new sources of funding, including increasing CIF bids to improve facilities to enable MAC to have the competitiveness edge	CFO, P's, BODs	January 2021
	Grants receivable risk	Grants receivable not used for the purposes for which they were given	2	3	Treat	Use Accounting policies. Auditors both internal and external can help to identify problems	AO, CFO, ACCs, Resources committee	January 2021
		Grants receivable reporting requirements are not adhered to	1	2	Treat	Use Accounting policies. Auditors both internal and external can help to identify problems	AO, CFO, ACCS, Resources committee	January 2021
GAG received late or sum reduced		3	4	Tolerate	Reserves managed prudently	CFO, ACCs, Resources committee	January 2021	
B4. Supplier risk	Supplier selection risk	Supplier financial viability	2	3	Treat	Tendering process to be followed and payment processes to be applied	CFO, P's, Resources committee	January 2021
		Supplier inappropriate	2	3	Treat			January 2021
		Supplier connected with either trustees or staff	1	3	Treat	Apply Finance Policy, keep business interest records for directors and staff. Reviewed annually	CFO	January 2021
		Delivery risk	2	3	Treat	Regular reviews of suppliers	CFO, Resources committee	January 2021
		Quality risk	1	3	Treat			January 2021
	Key supplier dependency risk	Risk that supplies not available	2	3	Tolerate	No action practicable to avoid the risk		
		Risk of dependency on few suppliers	2	3	Treat	Rigorous tendering process	CFO, P's, Resources committee	January 2021
	Value for money risk	Purchase price risk	2	2	Treat	Regular review of suppliers	CFO, ACCs	January 2021
Efficiency risk		2	3	Treat	Regular monitoring	CFO, ACCs	January 2021	

### C. Compliance Risks

Category	Sub-category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action	Date of next review
C1. Employee legislation risk	Employment laws risk	Risk that legislative requirements are not known or complied with	1	4	Treat	Regular advice sought from HR Consultants	P's	January 2021
		Discrimination risk	1	4	Treat	See Equality Policy	P's	January 2021
		GDPR / Data Protection risk	3	4	Treat	GDPR/Data Protection Policy	P's	January 2021

		Human Rights risk	1	3	Treat	Equality Policy	P's	January 2021	
		Equal Opportunities risk	1	4	Treat				
		Contract risk	1	3	Transfer	Refer to HR and advice from HR consultants	P's, CFO	January 2021	
		Pension risk	Risk that legislative requirements are not known or complied with	1	3	Transfer	Refer to HR and Pensions	CFO, ACCs	January 2021
		Health and Safety risk	Risk that legislative requirements are not known or complied with	2	3	Treat / Transfer	Health and Safety Policy, + external H&S Audit	Resources, Audit committee and LGBs	January 2021
C2. Environmental legislation including Covid-19	UK legislation	Risk that legislative requirements are not known or complied with	2	3	Treat	Research and consider all relevant legislation	Resources Committee (land and buildings)	January 2021	
	EU legislation	Risk that legislative requirements are not known or complied with	2	3	Treat			January 2021	
	Caronavirus risk assessment	All schools to implement the Caronavirus risk assessment to ensure all schools continue to operate in a safe environment minimising the risk of the spread of the infection	2	4	Treat	CEO updates risk assessment following latest government advice. Risk assessment sent out to all schools and directors for immediate implementation by all staff. Monitored regularly.	CEO, Principals, Directors, SBMs and all staff to follow and implement	January 2021	
C3. Financial reporting risk	Statutory accounts risk	Risk that legislative requirements are not known or complied with	2	4	Treat/Transfer	Apply Accounting policies. Advice from Auditors	CFO, ACCs, P's, Resources committee and Audit & Risk committee	January 2021	
	Accounting standards risk	Risk that legislative requirements are not known or complied with	2	4	Treat/Transfer			January 2021	
	SORP compliance risk	Risk that legislative requirements are not known or complied with	2	4	Treat/Transfer			January 2021	
C4. Charities legislation risk	Charities legislation risk	Risk that legislative requirements are not known or complied with	1	2	Treat	Provide training	CFO, ACCs, BODs	January 2021	
C5. Tax legislation risk	VAT / PAYE / NI risk	Risk that legislative requirements are not known or complied with	2	3	VAT = Treat PAYE, NI = Transfer	See Accounting Policy, Auditors.	CFO, ACCs, Resources committee	January 2021	
C6. Data Protection Act risk (GDPR)		Risk that legislative requirements are not known or complied with	1	3	Treat	Apply GDPR Policy	CFO, Compliance Officer	January 2021	

### Compliance Risks contd.

Category	Sub-category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action	Date of next review
C7. Welfare and compliance risk	Disability risk	Risk that legislative requirements are not known or complied with MAC SENDCO meetings	1	3	Treat	Apply Equality Policy	P's, BODs	January 2021
	Safeguarding	Risk that legislative requirements are not known or complied with MAC Safeguarding meetings	1	3	Treat	Safeguarding Policy	P's, Designated Safeguarding Leads and Deputy Designated Safeguarding Leads	January 2021

C8. Sector compliance risk	Curriculum compliance	Risk that legislative requirements are not known or complied with	1	2	Treat	Refer to Master Funding Agreement re delivery of curriculum.	P's, Curriculum and Standards Committee, BODs	January 2021
	Mental health compliance risk	Risk that legislative requirements are not known or complied with Wellbeing Award	1	3	Treat	Apply Equality Policy	P'S, CEO, BOD, CFO	January 2021
C9. Local Authority and Central Government risk	Grant criteria risk	Risk that legislative requirements are not known or complied with	1	2	Treat	Apply Accounting Policies	CFO, ACCs	January 2021
	Licensing risk	Risk that legislative requirements are not known or complied with	2	2	Treat	Apply ICT Policy and development plan. Copyright procedures	Network Manager, P's, Resources committee	January 2021

#### D. Financial Risks

Category	Sub-category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action	Date of next review
D1. Overall financial control risk	Budget risk	Risk that budget cannot be prepared in accordance with DfE timetable	1	2	Treat	Apply Accounting Policies	CFO, ACCs, Resources committee	January 2021
		Risk that budget will be in deficit	1	4	Treat	Careful planning of reserves	CFO, ACCs, Resources committee	January 2021
		Risk that actual performance is not measured against budget on a regular basis	1	4	Treat	Apply Accounting Policy rigorously	CFO, ACCs, and Resources committee	January 2021
		Risk that budget headings are manipulated to ensure targets are met	1	4	Treat	Budge is prepared in consultation with individual school SLTs and Resources Committee	CFO, ACCs, Resources committee	January 2021
	Reconciliation risk	Risk that bank reconciliations / other key reconciliations are not completed and reviewed	1	3	Treat/Transfer	Apply Accounting Policy. Reviewed by Auditors and RO through regular checks. Academy financial timeline used. Weekly and monthly financial checklists in place for all key financial personnel	CFO, ACCs, SBMs, IA, Resources committee	January 2021
		Risk that suspense accounts are not cleared or reconciled	1	2	Treat/Transfer	Auditors, ACCs	CFO. ACCs, SBMs	January 2021
Consolidation risk	Risk that results of subsidiaries / associates are not consolidated with results of parent charity	1	1	Tolerate	Not a practical risk at present			
D2. Financial Systems risk	System suitability risk	Risk that financial system is not suitable for the charity's needs	2	3	Treat	Keep under review	CFO, ACCs	January 2021
	Maintenance risk	Risk that financial system will not be maintained by provider in long term	2	4	Tolerate	Not really possible to prevent but keep under review	CFO, ACCs	January 2021
	Disaster risk	Risk that financial information cannot be recovered in the event of a disaster (e.g. fire, theft, vandalism)	1	4	Treat	Virtual servers, back-up completed on regular basis.	Network Manager	January 2021

	Access risk	Risk of unauthorised access to financial systems	2	4	Treat	Need to include in Accounting Policy and ICT Policy re authorised access to PS Financials	CFO/ Network Manager, ACCs	January 2021
D3. Income risk	Completeness risk	Invoices not raised for all transactions	2	3	Treat	Apply Accounting Policies	CFO, SBMs, AFO/ACCS	January 2021
		Donations in kind or intangibles are not recorded or recognised in the financial statements	2	2	Treat	Apply Donations and Gifts Policy	CFO, SBMs, AFO/ACCS	January 2021
	Restricted income risk	Income is not identified as restricted on receipt	1	2	Treat	Apply Accounting Policy	CFO, SBMs, AFO/ACCS	January 2021
		Restricted income is used for purposes other than restriction	2	2	Treat	Apply Accounting Policy	CFO, SBMs, AFO/ACCS	January 2021
		Restricted funds are transferred to unrestricted funds without consent of donor	2	1	Treat/Transfer	Apply Accounting Policy	CFO, SBMs, AFO/ACCS	January 2021

### Financial Risks contd.

Category	Sub-category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action	Date of next review
	Sponsorship funding risk	Sponsorship targets are not met	1	1	Tolerate	Not a practical risk at present		January 2021
		Sponsorship promised by individual partners is not delivered	1	1	Tolerate	Not a practical risk at present		
	Cut off risk	Risk that income is accounted for in the wrong accounting period	2	2	Treat	Apply Accounting policy and correct procedures carefully. Financial timelines and closure of periods will support this risk	CFO, SBMs, AFO/ACCS,	January 2021
	Fraud risk	Risk that donations are misappropriated	1	4	Treat	Apply Accounting Policies	CFO, SBMs, AFO/ACCS	January 2021
<b>D4. Expenditure risk</b>	Authorisation risk	Risk that expenditure is not authorised	1	2	Treat	Apply Accounting Policies and Scheme of Delegation	CFO, SBMs, AFO/ACCS	January 2021
	Allocation risk	Risk that expenditure is allocated between headings using inappropriate basis	1	2	Treat	Apply Accounting Policy. To be monitored by CFO, P's and through RO checks	CFO, P's, SBMs, AFO/ACCS	January 2021
	Price risk	Risk that discounts are not secured or price reductions obtained on purchases or services	2	2	Treat	Apply Best Value principles to all decisions	CFO, ACCs	January 2021
	Cut off risk	Risk that expenditure is accounted for in the wrong accounting period	2	2	Treat	Apply Accounting Policy and ensure Academy Financial timeline adhered to by CFO, AM/BURS, AFO/ACCS,	CFO, SBMs, AFO/ACCS,	January 2021
	Fraud risk	False invoice / payment risk	2	4	Treat	Apply Accounting Policy. All new suppliers approved by central finance team	CFO, SBMs, AFO/ACCS,	January 2021
<b>D5. Treasury risk</b>	Cash flow risk	Risk that cash flow requirements are not forecast	2	4	Treat	Apply Accounting Policy and regularly review cash flow – P's, CFO, ACCs	P's, CFO, SBMs, AFO/ACCS,	January 2021

		Risk that cash is all tied up in investments and insufficient is readily available to meet short term cash flow needs	1	1	Tolerate	Not a practical risk at present		
<b>D6. Fixed Asset risk</b>	Capital construction risk	Risk that assets built by constructors do not meet specifications or actual cost exceeds budget	2	4	Treat	Apply Best Value principles to all decisions	CFO, Project Manager, Bus. Director, Architects, Resources committee	January 2021
	Asset recognition risk	Risks that assets are not capitalised	2	3	Treat	Apply Accounting policies and ensure correct procedures are followed carefully	CFO, SBMs, AFO/ACCS,	January 2021
		Risks that depreciation rate is not appropriate	2	2	Treat			January 2021
	Fraud risk	Risk that assets are misappropriated	2	2	Treat	Apply Accounting Policies	CFO, SBMs, AFO/ACCS,	January 2021
<b>D7. Investment risk</b>	Return risk	Risk that the return on investments is not being maximised	1	1	Treat	Apply Accounting Policies. However, not a current practical risk		January 2021
		Risk that trustees are not acting in accordance with their investment policy / powers (e.g. investing in high risk investments which are not in the best interests of the charity)	1	1	Treat			
<b>D8. Stock risk</b>	Fraud risk	Risk that stock is misappropriated	2	2	Treat	Apply Accounting Policies. Regular review of stock within departments, cleaning and catering	CFO, SBMs, AFO/ACCS	January 2021
<b>D9. Debtors risk</b>	Recoverability risk	Risk that debts are not recovered	2	2	Treat	Apply Accounting Policies. Reviewed every fourteen days. Debtor letters sent out.	CFO, SBMs, AFO/ACCS	January 2021
		Risk that provision for doubtful debts is overstated / understated	1	1	Tolerate	Not a significant risk at present		January 2021
	Completeness risk	Risk that debtors record is not complete	1	1	Tolerate	Not a significant risk at present. PS Financials allows for regular Aged Debtor reports to be accessed	CFO, SBMs, AFO/ACCS	January 2021
	Cut off risk	Risk that debtors are accounted for in the wrong accounting period	2	2	Treat	Apply Accounting policies and procedures carefully	CFO, SBMs, AFO/ACCS,	January 2021
	Cash flow risk	Risk that profile of aged debtors deteriorates which impacts on cash flow	2	2	Treat	Apply Accounting policies	CFO/ACCS, Resources	January 2021
<b>D10. Taxation risk</b>	Non-charitable trading risk	Risk that charity is liable to tax on non-charitable trading activities	1	4	Treat	Advice Accountants and auditors	CFO, ACCs	January 2021
	Changes in legislation risk	Risk that charity is not aware of changes in legislation	1	4	Treat	Keep up to date by reading and training on legislation. Advice from auditors	CFO, ACCs, BODs	January 2021
<b>D11. Provisions and contingent liability risk</b>	Recognition risk	Risk that charity is not recognising provisions or commitments	1	1	Transfer	Auditors	CFO, ACCs, Resources committee	January 2021
	Contractual commitments risk	Risk that the charity has entered into future commitments without having the future funding available to meet them	1	1	Tolerate	New Funding allocations not yet known (pending Pupil Premium and Sixth Form funding)	P's, CFO, Resources committee	January 2021
<b>D12. Related party risk</b>	Identification risk	Risk that related party transactions / transactions with connected persons are not identified	1	2	Tolerate	Apply Accounting Policies	Resources committee	January 2021
		Risk that connected charities are not identified	1	1	Tolerate	Not a practical risk		

	Disclosure risk	Risk that related party transactions are not correctly or fully disclosed in the financial statements	1	1	Tolerate	Auditor to advise	P's, CFO, ACCs, Resources committee	January 2021
D13. Funds risk	Level of funds	Risk that fund levels are too high / low See Investment and Resources policy	2	3	Treat	Proper budget management	Resources committee	January 2021
		Risk that unrestricted funds are in deficit and restricted funds are in surplus	2	3	Treat	Proper budget management	Resources committee	January 2021
	Endowment risk	Risk that capital in permanent endowment funds is not maintained	1	1	Tolerate	Not a significant risk at present		January 2021
D14. Pension risk	Funding risk	Risk that scheme is in significant deficit	5	5	Tolerate	No practical action is available to MAC as relates to TPS and LGPS.		January 2021
		<b>Risk that employers' contribution rate increases and the MAC struggles to make the contribution</b>	3	3	Tolerate	No practical action is available to the MAC as rates increase in accordance with the guidance from ESFA. Mitigation is to ensure three year financial plans are in place to ensure all pension increases are budgeted across the MAC.		January 2021
		Risk that the charity is not making the correct contributions	2	2	Transfer	Support from pensions, auditors	AO, CFO, ACCs, Resources committee	January 2021

### Summary of Items to be reviewed prior to January 2021

Category No.	Specific Risk	Planned date for review	Actual date reviewed	Note of any changed as a result of the review
A1. Strategic Risk	Competition Risk	January 2021		
A1. Strategic Risk	Technology Risk	January 2021		
B2. Human Resources Risk	Central Finance Team restructure	January 2021		Central finance team restructure completed August 20
B2. Human Resources Risk	National Teaching recruitment crisis and recruitment of Catholic Leaders	January 2021		Mitigation plan includes Succession Planning. Principals to put forward to CEO staff suitable for progression to VP, Principals, DCEO and CEO. CEO to lead on this.