

## THE PAINSLEY CATHOLIC ACADEMY

### RISK MANAGEMENT, RISK REGISTER AND RESPONSE TO RISK PLAN

2021/22

#### 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 Academy Trust Handbook (September 2021).
- 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, Irregularity and Cybercrime policy and Financial Risk Management policy;
  - 1.3.2 agreeing objectives, plans and resources by means of the budget and the School Implementation Plans and the over-arching Academy Implementation 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 Auditor checks, External 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

ACC = Accountant

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 <b>12</b>	Charity if not operating within its objects	1	3	Treat <b>3</b>	Resources Committee reviews	BOD	January 2022
		Charity's objects become out of date / are no longer appropriate	1	1	Tolerate <b>1</b>	Members keep under review	AGM Sept/Oct	January 2022
		Charity receives unfavourable Ofsted report	2	4	Treat (+ Ensure Improvement plan in place) <b>8</b>	Regular review of individual school evaluations and Principal's targets	Principals' Performance Review and BOD	January 2022
	Charitable status risk <b>4</b>	Risk that charity could lose its charitable status	1	4	Tolerate <b>4</b>	Resource Committee reviews	BOD	January 2022
	Long term demand risk <b>5</b>	Insufficient demand for the charity's services leaves it unsustainable	1	5	Treat <b>5</b>	Regular discussion item at SLT meetings, Admissions and LGBs	Principals and BOD	January 2022
	Competition risk <b>37</b>	Presence of other organisations with similar objects and little scope for differentiation	3	4	Treat <b>12</b>	Regular discussion item at MAC SLT, and BODs to identify ways of improving further	Principals and BOD	January 2022
		Other organisations competing for the same sources of income	5	5	Treat <b>25</b>			January 2022
	Stakeholder risk <b>8</b>	Beneficiaries/other stakeholders don't consider that charity provides a valuable/high quality service	2	4	Treat <b>8</b>			January 2022
	Alliance / partnership risk <b>2</b>	Appropriateness of alliance	1	1	Tolerate <b>1</b>	Not a practical risk at present		January 2022
		Integrity of partner risk	1	1	Tolerate <b>1</b>			January 2022
	Investment powers risk <b>4</b>	Risk of Trustees not acting in accordance with their investment powers	2	2	Treat <b>4</b>	Procedures in MAC Accounting policies followed	Resources committee	January 2022
	Insurance risk <b>4</b>	Risk of financial loss/inability to replace items if charity does not have adequate insurance cover	1	4	Treat <b>4</b>	Policy is to ensure insurance risks are fully covered	Resources committee	January 2022
	Macro-economic risk <b>4</b>	Risk of the impact an uncontrollable event will have on the charity, e.g. recession, war, oil crisis	1	4	Treat <b>4</b>	Manage reserves to reduce risks (a recession could possible give recruitment opportunities). See <a href="#">Reserves and Investment policy</a>	P's, CFO, SBMs, AFO/ACCS and Resources committee	January 2022
	Natural disaster risk <b>6</b>	Risk of the impact an uncontrollable event will have on the charity, e.g. fire, flood	2	3	Treat / Transfer <b>6</b>	Business Continuity Plan is robust and tested annually. Some risk is transferred to insurers. Covid-19 risk assessments implemented and government advice followed	P's; Resources and BODs	January 2022
		Covid-19 pandemic since March 20. Risk if increase in positive cases resulting in staff shortage, pupil absences and school closures	5	5	<b>25</b>			CEO, P's, directors
Technology risk	Information security risk - Cybercrime	5	5	Treat <b>25</b>			January 2022	

	<b>79</b>	Virus risk/corruption of data risk	5	5	Treat <b>25</b>	Procedures in MAC ICT Policy, Malware policy and Incident response plan	P's and Network Manager	January 2022
		IT systems out of date / no longer supported	2	2	Treat <b>4</b>	Five Year MAC IT Development Plan; regularly reviewed	P's, Network Manager, Resources	January 2022
		Lack of internet/systems down which may delay work and staff meeting deadlines, especially during the holiday period	5	5	Treat <b>25</b>	Forward planning re ICT projects and system downtime to ensure minimal impact of loss of connectivity	Network Manager and central IT support team	January 2022

### 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 <b>5</b>	Charity not seen by the public to be meeting its objectives	1	3	Treat <b>3</b>	Publicise what the MAC does and has achieved	P's	January 2022
		Objectives of the charity are controversial or may attract a high level of public interest	1	2	Tolerate <b>2</b>	Not a practical risk at present		January 2022
	Trustee profile risk <b>11</b>	Trustees have a high public profile and may cause the charity to attract publicity	1	2	Tolerate <b>2</b>	Not a practical risk at present		January 2022
		Trustees are seen by the public to be paid a high amount of expenses	1	3	Treat <b>3</b>	Accounting Policies refer to Directors' expenses	BODs	January 2022
		Trustees are not considered to be arms- length from the charity	2	3	Treat <b>6</b>	Master Funding Agreement	BODs	January 2022
	Expenditure risk <b>11</b>	Management and administration costs are perceived by the public to be high	2	3	Treat <b>6</b>	Regularly reviewed by Resources committee against annual benchmarking activity	Resources committee	January 2022
		Senior management of the charity are seen by the public to be paid high salaries	1	3	Treat <b>3</b>	Salaries reviewed against a fixed scale. Pay policy introduced from 1/9/14.	Performance Management and Resources committee	January 2022
		Reserves level risk – Charity seen to be holding reserves and not spending enough on its charitable objects	1	2	Treat <b>2</b>	Not a practical risk, but perhaps treat perception by making information available	Resources committee	January 2022
	Quality of service / product risk <b>3</b>	Charity provides a poor quality service to its beneficiaries/customers	1	3	Treat <b>3</b>	Regularly review to ensure high standards are maintained	P's, and BODs	January 2022
	Fraud risk <b>5</b>	Fraud discovered including cybercrime and the charity attracts bad publicity	1	5	Treat <b>5</b>	Apply Response to Fraud plan – see Accounting Policies	Chair of Directors, AO and CFO	January 2022
Failure to comply with legislation risk <b>13</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	2	5	Treat <b>10</b>	Apply Health and Safety Policy and Risk Assessments.	H&S Co-ordinator, P's and	January 2022	

		Failure to comply with employment law – e.g. unfair dismissal of an employee – attracts adverse publicity	1	3	Treat <b>3</b>	Make full use of HR and Legal advice to avoid such situations	P's and Resources committee, Staff Dismissal committee	January 2022
	Litigation risk <b>10</b>	Charity involved in litigation	2	5	Treat <b>10</b>	Maintain high standards in all aspects of the MACs work and objectives	P's, BOD	January 2022
Board of Directors organisation risk	Delegation risk <b>14</b>	Committees not established with delegated authority, e.g. finance, personnel etc	1	3	Treat <b>3</b>	See Articles and Association and Committee structures	BOD	January 2022
		Committee terms of reference not sufficiently flexible	1	3	Treat <b>3</b>		BOD	January 2022
		Trustees delegate too little/too much to CEO/AO and CFO.	2	4	Treat <b>8</b>	Annually review the Scheme of Delegation	Resources committee and BOD	January 2022
	CEO / DCEOs / CFO / Principals / absence risk <b>8</b>	Trustees do not ensure rigorous monitoring is undertaken in the absence of the Principals and/or Business Director	2	4	Treat <b>8</b>	Kept under regular review	Resources committee and Chair of Directors	January 2022

## 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 <b>8</b>	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 <b>8</b>	Information is monitored using independent sources of advice, especially Internal Auditor, Auditor, Independent advisers, RAISEonline	Resources committee, Audit & Risk committee	January 2022
	Timeliness risk <b>6</b>	Risk that management information is not available quickly after the period to which it relates	2	3	Treat <b>6</b>	Reviewed regularly by Resources committee and BOD	CFO	January 2022
	Review risk <b>6</b>	Risk that management information is not subject to review	1	3	Treat <b>3</b>	Regularly reviewed by Resources committee and	Resources, and BOD	January 2022
		Risk that action is not taken after the review of management information	1	3	Treat <b>3</b>	Clear minutes and action points. Reviewed at next meeting	Chair of individual committees	January 2022
	Quality risk <b>3</b>	Risk that too little management information is produced to facilitate informed decision making	1	3	Treat <b>3</b>	Kept under review by Resources committee and BOD	Resources and BOD	January 2022

### 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 <b>31</b>	Insufficient experience of the charity/education sector	1	4	Treat <b>4</b>	Director training	BOD	January 2022
		Trustees without required expertise	2	1	Treat <b>2</b>	Director training	BOD	January 2022
		Lack of availability/poor attendance at meetings	1	3	Treat <b>3</b>	Membership reviewed by BOD	BOD	January 2022

		Entrepreneurial risk – risk that trustees are too entrepreneurial. Risk that activities of the charity could be outside its objects.	1	4	Tolerate <b>4</b>	Not a major risk at present		
		Trustees become too involved with management of the charity and are not independent of management	1	3	Tolerate <b>3</b>			
		Trustees not act solely in the interests of the charity but for their business/other interests	1	5	Treat <b>5</b>	Accounting Policies / Pecuniary interests	BOD	January 2022
		No member with responsibility for financial oversight is appointed	1	4	Treat <b>4</b>	Appoint Chair and members of the Resources committee		January 2022
		Passive trustees	2	3	Treat <b>6</b>	Director training		January 2022
	Management risk <b>22</b>	Senior management capability/experience of charity sector risk	1	4	Treat <b>4</b>	Provide training		January 2022
		Integrity risk	1	4	Tolerate <b>4</b>	Not a practical risk at present		
		Key person loss/succession risk	4	3	Treat <b>12</b>	Plan for all eventualities	BOD and P's	January 2022
		Entrepreneurial risk – risk that management is too entrepreneurial. Risk that activities of the charity could be outside its objects	1	2	Tolerate <b>2</b>	Not a practical risk at present		
	Staff risk <b>29</b>	Low morale risk	2	3	Treat <b>6</b>	Monitored by staff questionnaires, line management meetings, performance management and individual school SLTs	P's	January 2022
		Retention risk	1	2	Treat <b>2</b>			January 2022
		Recruitment risk (recruiting someone unsuitable to work with children)	1	5	Treat <b>5</b>	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 2022
		Appraisal / assessment risk	1	3	Treat <b>3</b>	See Performance Management policies	P's, BODs	January 2022
		Staff matters not referred to HR professionals, may lead to tribunals	1	3	Treat <b>3</b>	HR advice sought regularly on all difficult issues	CEO/DCEOs/ CFO/P's	January 2022
		Training risk	1	2	Tolerate <b>2</b>	Not a practical risk at present		
		Technical capability risk	2	4	Treat <b>8</b>	Provide training	P's	January 2022
	Central finance team restructure <b>16</b>	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	3	3	Treat <b>9</b>	Restructure of central finance team	AO/CFO/Acc/ Finance team	January 2022
	National teaching and leadership recruitment crisis <b>16</b>	National crisis to recruit good to Outstanding teachers and Catholic Leaders	2	3	Treat <b>6</b>	Posts to be attractive, support from Diocese, ensure excellent alumni, proactive Teaching School	AO/DCEO/CFO/ Ps	January 2022

### 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 <b>16</b>	Excessive reliance on volunteers	1	2	Tolerate <b>2</b>	Not a practical risk at present		January 2022
		Lack of control over volunteers	1	3	Treat <b>3</b>	Provide training	P's	January 2022
		Training risk	2	3	Treat <b>6</b>		P's	January 2022
		Risk that volunteers are not of appropriate quality/vetted/subject to police checks	1	5	Treat <b>5</b>	Safeguarding policy applied rigorously. New	P's,	January 2022

						Safeguarding handbook published by MAC for volunteers		
	H & S risk <b>20</b>	Staff fatality / injury	2	4	Treat <b>8</b>	Health and Safety Policy and Risk Assessments applied rigorously	P's and H&S Co-ordinators in each school	January 2022
		Fatality / injury to student/third party	4	2	Treat <b>8</b>			January 2022
		Other third party risk	2	2	Treat <b>4</b>			January 2022
B3. Income risk	Donor risk <b>2</b>	Charity heavily reliant on one donor	1	1	Tolerate <b>1</b>	Not a practical risk at present		
		Donor has a strong influence / power over charity's activities	1	1	Tolerate <b>1</b>			
	Marketing risk <b>4</b>	Other charities competing for donations or similar sources of income	2	2	Treat <b>4</b>	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 2022
	Grants receivable risk <b>20</b>	Grants receivable not used for the purposes for which they were given	2	3	Treat <b>6</b>	Use Accounting policies. Auditors both internal and external can help to identify problems	AO, CFO, ACCs, Resources committee	January 2022
		Grants receivable reporting requirements are not adhered to	1	2	Treat <b>2</b>	Use Accounting policies. Auditors both internal and external can help to identify problems	AO, CFO, ACCs, Resources committee	January 2022
		<b>GAG received late or sum reduced</b>	<b>3</b>	<b>4</b>	Tolerate <b>12</b>	Reserves managed prudently	CFO, ACCs, Resources committee	January 2022
B4. Supplier risk	Supplier selection risk <b>24</b>	Supplier financial viability	2	3	Treat <b>6</b>	Tendering process to be followed and payment processes to be applied	CFO, P's, Resources committee	January 2022
		Supplier inappropriate	2	3	Treat <b>6</b>			January 2022
		Supplier connected with either trustees or staff	1	3	Treat <b>3</b>	Apply Finance Policy, keep business interest records for directors and staff. Reviewed annually	CFO	January 2022
		Delivery risk	2	3	Treat <b>6</b>	Regular reviews of suppliers	CFO, Resources committee	January 2022
		Quality risk	1	3	Treat <b>3</b>			January 2022
	Key supplier dependency risk <b>12</b>	Risk that supplies not available	2	3	Tolerate <b>6</b>	No action practicable to avoid the risk		
		Risk of dependency on few suppliers	2	3	Treat <b>6</b>	Rigorous tendering process	CFO, P's, Resources committee	January 2022
	Value for money risk <b>10</b>	Purchase price risk	2	2	Treat <b>4</b>	Regular review of suppliers	CFO, ACCs	January 2022
		Efficiency risk	2	3	Treat <b>6</b>	Regular monitoring	CFO, ACCs	January 2022

### 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 <b>4</b>	Regular advice sought from HR Consultants	P's	January 2022



	<b>30</b>	Discrimination risk	1	4	Treat <b>4</b>	See Equality Policy	P's	January 2022
		GDPR / Data Protection risk	3	4	Treat <b>12</b>	GDPR/Data Protection Policy	P's	January 2022
		Human Rights risk	1	3	Treat <b>3</b>	Equality Policy	P's	January 2022
		Equal Opportunities risk	1	4	Treat <b>4</b>			
		Contract risk	1	3	Transfer <b>3</b>	Refer to HR and advice from HR consultants	P's, CFO	January 2022
	Pension risk <b>3</b>	Risk that legislative requirements are not known or complied with	1	3	Transfer <b>3</b>	Refer to HR and Pensions	CFO, ACCs	January 2022
	Health and Safety risk <b>6</b>	Risk that legislative requirements are not known or complied with	2	3	Treat / Transfer <b>6</b>	Health and Safety Policy, + external H&S Audit	Resources, Audit committee and LGBs	January 2022
C2. Environmental legislation	UK legislation <b>6</b>	Risk that legislative requirements are not known or complied with	2	3	Treat <b>6</b>	Research and consider all relevant legislation	Resources Committee (land and buildings)	January 2022
	EU legislation <b>6</b>	Risk that legislative requirements are not known or complied with	2	3	Treat <b>6</b>			January 2022
C3. Financial reporting risk	Statutory accounts risk <b>8</b>	Risk that legislative requirements are not known or complied with	2	4	Treat/Transfer <b>8</b>	Apply Accounting policies. Advice from Auditors	CFO, ACCs, P's, Resources committee and Audit & Risk committee	January 2022
	Accounting standards risk <b>8</b>	Risk that legislative requirements are not known or complied with	2	4	Treat/Transfer <b>8</b>			January 2022
	SORP compliance risk <b>8</b>	Risk that legislative requirements are not known or complied with	2	4	Treat/Transfer <b>8</b>			January 2022
C4. Charities legislation risk	Charities legislation risk <b>2</b>	Risk that legislative requirements are not known or complied with	1	2	Treat <b>2</b>	Provide training	CFO, ACCs, BODs	January 2022
C5. Tax legislation risk	VAT / PAYE / NI risk <b>6</b>	Risk that legislative requirements are not known or complied with	2	3	VAT = Treat <b>6</b> PAYE, NI = Transfer	See Accounting Policy, Auditors.	CFO, ACCs, Resources committee	January 2022
C6. Data Protection Act risk (GDPR)	<b>3</b>	Risk that legislative requirements are not known or complied with	1	3	Treat <b>3</b>	Apply GDPR Policy	CFO, Compliance Officer	January 2022

### 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 <b>3</b>	Risk that legislative requirements are not known or complied with MAC SENDCO meetings	1	3	Treat <b>3</b>	Apply Equality Policy	P's, BODs	January 2022
	Safeguarding <b>3</b>	Risk that legislative requirements are not known or complied with MAC Safeguarding meetings	1	3	Treat <b>3</b>	Safeguarding Policy	P's, Designated Safeguarding Leads and Deputy Designated Safeguarding Leads	January 2022

C8. Sector compliance risk	Curriculum compliance <b>2</b>	Risk that legislative requirements are not known or complied with	1	2	Treat <b>2</b>	Refer to Master Funding Agreement re delivery of curriculum.	P's, Curriculum and Standards Committee, BODs	January 2022
	Mental health compliance risk <b>3</b>	Risk that legislative requirements are not known or complied with Wellbeing Award	1	3	Treat <b>3</b>	Apply Equality Policy	P'S, CEO, BOD, CFO	January 2022
C9. Local Authority and Central Government risk	Grant criteria risk <b>2</b>	Risk that legislative requirements are not known or complied with	1	2	Treat <b>2</b>	Apply Accounting Policies	CFO, ACCs	January 2022
	Licensing risk <b>4</b>	Risk that legislative requirements are not known or complied with	2	2	Treat <b>4</b>	Apply ICT Policy and development plan. Copyright procedures	Network Manager, P's, Resources committee	January 2022

## 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 <b>14</b>	Risk that budget cannot be prepared in accordance with DfE timetable	1	2	Treat <b>2</b>	Apply Accounting Policies	CFO, ACCs, Resources committee	January 2022
		Risk that budget will be in deficit	1	4	Treat <b>4</b>	Careful planning of reserves	CFO, ACCs, Resources committee	January 2022
		Risk that actual performance is not measured against budget on a regular basis	1	4	Treat <b>4</b>	Apply Accounting Policy rigorously	CFO, ACCs, and Resources committee	January 2022
		Risk that budget headings are manipulated to ensure targets are met	1	4	Treat <b>4</b>	Budge is prepared in consultation with individual school SLTs and Resources Committee	CFO, ACCs, Resources committee	January 2022
	Reconciliation risk <b>5</b>	Risk that bank reconciliations / other key reconciliations are not completed and reviewed	1	3	Treat/Transfer <b>3</b>	Apply Accounting Policy. Reviewed by Auditors and RO through regular checks. Academy financial timeline used	CFO, ACCs, SBMs, IA, Resources committee	January 2022
		Risk that suspense accounts are not cleared or reconciled	1	2	Treat/Transfer <b>2</b>	Auditors, ACCs	CFO. ACCs, SBMs	January 2022
	Consolidation risk <b>1</b>	Risk that results of subsidiaries / associates are not consolidated with results of parent charity	1	1	Tolerate <b>1</b>	Not a practical risk at present		
D2. Financial Systems risk	System suitability risk <b>6</b>	Risk that financial system is not suitable for the charity's needs	2	3	Treat <b>6</b>	Keep under review	CFO, ACCs	January 2022
	Maintenance risk <b>8</b>	Risk that financial system will not be maintained by provide in long term	2	4	Tolerate <b>8</b>	Not really possible to prevent but keep under review	CFO, ACCs	January 2022
	Disaster risk <b>4</b>	Risk that financial information cannot be recovered in the event of a disaster (e.g. fire, theft, vandalism)	1	4	Treat <b>4</b>	Virtual servers, back-up completed on regular basis.	Network Manager	January 2022
	Access risk <b>8</b>	Risk of unauthorised access to financial systems	2	4	Treat <b>8</b>	Need to include in Accounting Policy and ICT Policy re authorised access to PS Financials	CFO/ Network Manager, ACCs	January 2022
D3. Income risk	Completeness risk	Invoices not raised for all transactions	2	3	Treat <b>6</b>	Apply Accounting Policies	CFO. SBMs, AFO/ACCS	January 2022

	<b>10</b>	Donations in kind or intangibles are not recorded or recognised in the financial statements	2	2	Treat <b>4</b>	Apply Donations and Gifts Policy	CFO, SBMs, AFO/ACCS	January 2022
	Restricted income risk <b>8</b>	Income is not identified as restricted on receipt	1	2	Treat <b>2</b>	Apply Accounting Policy	CFO, SBMs, AFO/ACCS	January 2022
		Restricted income is used for purposes other than restriction	2	2	Treat <b>4</b>	Apply Accounting Policy	CFO, SBMs, AFO/ACCS	January 2022
		Restricted funds are transferred to unrestricted funds without consent of donor	2	1	Treat/Transfer <b>2</b>	Apply Accounting Policy	CFO, SBMs, AFO/ACCS	January 2022

### 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 <b>2</b>	Sponsorship targets are not met	1	1	Tolerate <b>1</b>	Not a practical risk at present		January 2022
		Sponsorship promised by individual partners is not delivered	1	1	Tolerate <b>1</b>	Not a practical risk at present		
	Cut off risk <b>4</b>	Risk that income is accounted for in the wrong accounting period	2	2	Treat <b>4</b>	Apply Accounting policy and correct procedures carefully. Financial timelines and closure of periods will support this risk	CFO, SBMs, AFO/ACCS,	January 2022
	Fraud risk <b>4</b>	Risk that donations are misappropriated	1	4	Treat <b>4</b>	Apply Accounting Policies	CFO, SBMs, AFO/ACCS	January 2022
<b>D4. Expenditure risk</b>	Authorisation risk <b>2</b>	Risk that expenditure is not authorised	1	2	Treat <b>2</b>	Apply Accounting Policies and Scheme of Delegation	CFO, SBMs, AFO/ACCS	January 2022
	Allocation risk <b>2</b>	Risk that expenditure is allocated between headings using inappropriate basis	1	2	Treat <b>2</b>	Apply Accounting Policy. To be monitored by CFO, P's and through RO checks	CFO, P's, SBMs, AFO/ACCS	January 2022
	Price risk <b>4</b>	Risk that discounts are not secured or price reductions obtained on purchases or services	2	2	Treat <b>4</b>	Apply Best Value principles to all decisions	CFO, ACCs	January 2022
	Cut off risk <b>4</b>	Risk that expenditure is accounted for in the wrong accounting period	2	2	Treat <b>4</b>	Apply Accounting Policy and ensure Academy Financial timeline adhered to by CFO, AM/BURS, AFO/ACCS.	CFO, SBMs, AFO/ACCS,	January 2022
	Fraud risk <b>6</b>	False invoice / payment risk	3	2	Treat <b>6</b>	Apply Accounting Policy	CFO, SBMs, AFO/ACCS,	January 2022
<b>D5. Treasury risk</b>	Cash flow risk <b>9</b>	Risk that cash flow requirements are not forecast	2	4	Treat <b>8</b>	Apply Accounting Policy and regularly review cash flow – P's, CFO, ACCs	P's, CFO, SBMs, AFO/ACCS,	January 2022
		Risk that cash is all tied up in investments and insufficient is readily available to meet short term cash flow needs	1	1	Tolerate <b>1</b>	Not a practical risk at present		
<b>D6. Fixed Asset risk</b>	Capital construction risk <b>8</b>	Risk that assets built by constructors do not meet specifications or actual cost exceeds budget	2	4	Treat <b>8</b>	Apply Best Value principles to all decisions	CFO, Project Manager, Bus. Director, Architects, Resources committee	January 2022

	Asset recognition risk <b>10</b>	Risks that assets are not capitalised	2	3	Treat <b>6</b>	Apply Accounting policies and ensure correct procedures are followed carefully	CFO, SBMs, AFO/ACCS,	January 2022
		Risks that depreciation rate is not appropriate	2	2	Treat <b>4</b>			January 2022
	Fraud risk <b>4</b>	Risk that assets are misappropriated	2	2	Treat <b>4</b>	Apply Accounting Policies	CFO, SBMs, AFO/ACCS,	January 2022
<b>D7. Investment risk</b>	Return risk <b>2</b>	Risk that the return on investments is not being maximised	1	1	Treat <b>1</b>	Apply Accounting Policies. However, not a current practical risk		January 2022
		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>1</b>			
D8. Stock risk	Fraud risk <b>4</b>	Risk that stock is misappropriated	2	2	Treat <b>4</b>	Apply Accounting Policies. Regular review of stock within departments, cleaning and catering	CFO, SBMs, AFO/ACCS	January 2022
D9. Debtors risk	Recoverability risk <b>5</b>	Risk that debts are not recovered	2	2	Treat <b>4</b>	Apply Accounting Policies. Reviewed every fourteen days. Debtor letters sent out.	CFO, SBMs, AFO/ACCS	January 2022
		Risk that provision for doubtful debts is overstated / understated	1	1	Tolerate <b>1</b>	Not a significant risk at present		January 2022
	Completeness risk <b>1</b>	Risk that debtors record is not complete	1	1	Tolerate <b>1</b>	Not a significant risk at present. PS Financials allows for regular Aged Debtor reports to be accessed	CFO, SBMs, AFO/ACCS	January 2022
	Cut off risk <b>4</b>	Risk that debtors are accounted for in the wrong accounting period	2	2	Treat <b>4</b>	Apply Accounting policies and procedures carefully	CFO, SBMs, AFO/ACCS,	January 2022
	Cash flow risk <b>4</b>	Risk that profile of aged debtors deteriorates which impacts on cash flow	2	2	Treat <b>4</b>	Apply Accounting policies	CFO/ACCS, Resources	January 2022
D10. Taxation risk	Non-charitable trading risk <b>9</b>	Risk that charity is liable to tax on non-charitable trading activities	3	3	Treat <b>9</b>	Advice Accountants	CFO, ACCs	January 2022
	Changes in legislation risk <b>9</b>	Risk that charity is not aware of changes in legislation	3	3	Treat <b>9</b>	Keep up to date by reading and training on legislation	CFO, ACCs, BODs	January 2022
D11. Provisions and contingent liability risk	Recognition risk <b>1</b>	Risk that charity is not recognising provisions or commitments	1	1	Transfer <b>1</b>	Auditors	CFO, ACCs, Resources committee	January 2022
	Contractual commitments risk <b>1</b>	Risk that the charity has entered into future commitments without having the future funding available to meet them	1	1	Tolerate <b>1</b>	New Funding allocations not yet known (pending Pupil Premium and Sixth Form funding)	P's, CFO, Resources committee	January 2022
D12. Related party risk	Identification risk <b>3</b>	Risk that related party transactions / transactions with connected persons are not identified	1	2	Tolerate <b>2</b>	Apply Accounting Policies	Resources committee	January 2022
		Risk that connected charities are not identified	1	1	Tolerate <b>1</b>	Not a practical risk		
	Disclosure risk <b>1</b>	Risk that related party transactions are not correctly or fully disclosed in the financial statements	1	1	Tolerate <b>1</b>	Auditor to advise	P's, CFO, ACCs, Resources committee	January 2022
D13. Funds risk	Level of funds <b>12</b>	Risk that fund levels are too high / low <a href="#">See Investment and Resources policy</a>	2	3	Treat <b>6</b>	Proper budget management	Resources committee	January 2022
		Risk that unrestricted funds are in deficit and restricted funds are in surplus	2	3	Treat <b>6</b>	Proper budget management	Resources committee	January 2022
	Endowment risk <b>1</b>	Risk that capital in permanent endowment funds is not maintained	1	1	Tolerate <b>1</b>	Not a significant risk at present		January 2022

D14. Pension risk	Funding risk <b>21</b>	Risk that scheme is in significant deficit	5	1	Tolerate <b>5</b>	No practical action is available to MAC	January 2022
		Risk that employers' contribution rate increases	4	3	Tolerate <b>12</b>	No practical action is available to the MAC	January 2022
		Risk that the charity is not making the correct contributions	2	2	Transfer <b>4</b>	Support from pensions, auditors	AO, CFO, ACCs, Resources committee

### Summary of Items to be reviewed prior to January 2022

Category No.	Specific Risk	Planned date for review	Actual date reviewed	Note of any changes as a result of the review
A1. Strategic Risk	Competition Risk	January 2022		
A1. Strategic Risk	Technology Risk	January 2022		Malware Policy, Incident response plan to be finalised and approved
A1. Strategic Risk	Natural disaster including Covid-19	January 2022		Covid-19 pandemic has been included within the register