



# **Risk Management Policy and procedure**

## **Purpose**

The purpose of this policy and procedure is to outline Arnside National School's risk

management strategy.

The school sets out strategic and business objectives and risk management is the discipline by which risks that threaten the achievement of those objectives are identified and managed as part of the planning process.

“Risk” is used in this policy and procedure to describe the uncertainty surrounding events and their outcomes that might have a significant effect, either enhancing or inhibiting:

- operational performance
- achievement of aims and objectives
- meeting the expectations of stakeholders

“Major risks” are those risks that have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives, or could damage the reputation of the Trust.

### **Scope**

This policy and procedure applies to the risk management strategy for the Trust as a whole.

### **Key Principles**

Arnside National School believes that an effective risk management strategy is a matter of good organisational practice, lying at the heart of good management and good governance.

### **Rationale**

Arnside National School has a responsibility under charity law to state in its annual accounts that the major risks, to which the charity is exposed, as identified by the Directors, have been reviewed and systems have been established to mitigate those risks.

Properly controlled risk taking is necessary to the success of the organisation to build capacity for the future and deliver against the strategic goals set out in the Arnside National School strategic plan.

### **Policy**

Arnside National School’s policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated. The specific procedures for the implementation of this policy and the personnel responsible are detailed below.

The Governing Body is responsible for making a statement on risk management in the annual accounts of Arnside National School. In order to be able to make the required statement with reasonable confidence the Directors should ensure that:

- The identification, assessment and mitigation of risk is linked to the achievement of Arnside National School's vision and strategic goals as set out in the SDP;
- The process covers all areas of risk, e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks;
- The process produces a risk exposure profile that reflects the Directors' views as to levels of acceptable risk;
- The principal results of risk identification are reviewed, evaluated and managed; and ensure that the risk management is ongoing and embedded in management and operation procedure.

Arnside National School is responsible for overseeing the development and implementation of the risk management strategy. The school's Senior Leadership Team (SLT) has responsibility for ensuring that the risk management policy is implemented and for coordinating risk management activity across the school. The Headteacher will provide an annual report on risk management to the Board of Directors. The Headteacher and the SLT are responsible for ensuring that they take personal responsibility for championing risk assessment and management across school and for reinforcing risk-aware attitudes and responses. Their role is to provide objective assurance to the Board of Directors that:

- Risks are correctly evaluated;
- Key risks are being managed appropriately including the effectiveness of the controls and other responses to them;
- The risk management framework and internal control framework is operating effectively;
- Management is properly reporting the status of key risks and controls.

## **Procedure**

### **Risk Identification**

The process of risk identification will involve both Governors and the SLT.

Consideration will be given to the following factors:

- The vision, beliefs, values and strategic goals;
- The nature and scale of the school's activities, both current and planned;
- External factors that may affect the school such as legislation and regulation
- The school's reputation with its key stakeholders;
- The operating structure, e.g. functions and issues that the school may face due to transition to Academy status.

## **Typical Categories of Risk**

### **Risk Assessment**

- Discuss and agree that all involved are satisfied with the list of risks;
- Determine the appropriate response to each risk;
- Assess existing controls and determine appropriate action;
- Allocate responsibility for action;
- Agree future reporting and review procedures;
- A risk matrix will be used to plot each risk.

The assessment of each risk will take into consideration the control measures currently in place to manage the risk. The controls identified will be assessed to determine whether they are an appropriate mitigation of the risks identified. The value for money of the chosen responses needs to be considered, i.e. it is as important to avoid over-control of minor risks as under- control of serious risks.

With this exercise complete, the Board of Directors will decide what their risk appetite is, (what level of risk they are willing to tolerate). This will determine what response the Board wishes to make to each risk.

### **Action Planning/Risk Register**

Any risks requiring treatment should be recorded in a risk register (see Appendix 3). The actions required to produce an acceptable control system will be identified and documented. Clear responsibilities should be allocated to these actions along with a deadline for the action to be completed and a scheduled date for review.

A final version of the register will be circulated to all senior members of the Trust so that they are aware of the risk management policy and the controls in place to limit exposure to risk.

### **Monitoring and Review**

The risk register will be reviewed regularly by SLT and the Finance / Welfare Committee to ensure that risks are identified and that appropriate controls and responses are in place and to ensure that;

- New risks/escalating risks are identified
- Planned actions are carried out in line agreed timescales
- Updating of the risk register as risks change over time
- Early signs of developing risks are identified

The descriptors for high, medium and low impact and probability can be expanded as follows:  
Impact of risk occurring

| Impact     | Description  |
|------------|--|
| High - 3   | The financial impact will be significant [in excess of £50,000]<br>Has a significant impact on the school's strategy or on teaching and learning<br>Has significant stakeholder concern<br>Can cause significant reputational damage to the school |
| Medium - 2 | The financial impact will be moderate [between £25,000 and £49,000]<br>Has no more than a moderate impact on strategy or on teaching and learning<br>Moderate stakeholder concern<br>Can cause moderate reputational damage to the school          |
| Low - 1    | The financial impact is likely to be low [below £5,000 and £24,000]<br>Has a low impact on strategy or on teaching and learning<br>Low stakeholder concern<br>Is unlikely to cause any reputational damage to the school                           |

Probability of risk occurring

| Probability | Description  | Indicator   |
|-------------|--|---|
| High - 3    | Likely to occur each year, or more than 25% chance of occurrence within the next 12 months                 | Potential of it occurring several times within a 4 year period<br>Has occurred recently |
| Medium - 2  | Likely to occur within a 4 year time period or less than 25% chance of occurring within the next 12 months | Could occur more than once within a 4 year period<br>Some history of occurrence         |
| Low - 1     | Not likely to occur within a 4 year time period or less than 5% chance of occurrence                       | Has not occurred<br>Is not likely to occur  |

## Strategic and Reputational Risks

| Risk description  | Risk consequence  | Risk score   | Existing controls and evidence   | Existing controls<br>Adequate:<br>Fully or partially met | Details of actions required to improve controls | Person responsible | Target date |
|---|---|--------------|--|--|---|--------------------|-------------|
| Failure of the school to recruit sufficient learners to make it viable                          | Significant financial risk;<br>Risk that the confidence of beneficiaries is diminished;<br>Risk that the confidence of stakeholders is diminished   | 2x2=2<br>Med | Admissions Policy;<br>Parent and Carer Communication;<br>Marketing Strategy;<br>Effective Networking   | Fully  |   |                    |             |
| Failure to ensure that the objectives of the school are met                                     | Risk that the school fails to operate within the strategic objectives agreed by the Governing Body;<br>Risk that the school's strategic objectives become out of date or no longer appropriate;<br>Risk that the school receives an unfavourable OFSTED report;<br>Risk that the objectives of the school are seen as controversial | 2x1=2<br>Low | Experienced SLT;<br>Active and experienced Trustees and Governing Body;<br>Stakeholders who take an active role in the operation of the school | Fully  |   |                    |             |
| Failure to monitor and react accordingly to the requirement of our stakeholders                 | Risk that stakeholders & beneficiaries do not consider the school service to be valuable and of high quality  | 1x1=1<br>Low | Reports to the Trustees;<br>Reports to the school Governing Body;<br>Parent and Carer Communication  | Fully  |   |                    |             |
| Failure to monitor and react accordingly to the risks associated with competitor establishments | Risk that competitors make a more attractive offer to beneficiaries;<br>Risk that stakeholders fail to differentiate between the school and its competitors;<br>Risk of competition for the same share of the market  | 2x1=2<br>Low | Marketing Strategy;<br>Effective Networking;   | Fully  |   |                    |             |
| Failure to assess and review the alliances and partnerships with other organisations            | Risk that an alliance or partnership is no longer appropriate;<br>Risk to the integrity of the school   | 1x1=1<br>Low | Networking;<br>Visits to other schools;<br>Headteacher meetings  | Fully  |   |                    |             |

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| Failure to ensure that Information Technology in the school is maintained to the highest standard                           | IT security risk;<br>Risk to the corruption or loss of data;<br>Risk that IT equipment and services are outdated and no longer fit for purpose;<br>Financial risk;<br>Risk of litigation                              | 2x1=2<br>Low | IT Support contract;<br>Access to school IT staff and policies  | Fully |  |  |  |
| Failure to ensure that the school has adequate insurance cover  | Financial risk;<br>Risk of litigation;<br>Reputational risk   | 1x1=1<br>Low | Part of the school insurance review process organised by the Finance Officer;<br>Regular liaison with insurance companies & HR Adviser;<br>Buildings insurance held by the school;<br>Employee insurance held by the school as employer;<br>Vehicles hired through the school;<br>Fixtures, Fittings, Employer, Public Liability, Professional Indemnity held by the school | Fully |  |  |  |
| Failure to monitor the effect of risks over which the school has no or little control such as economic and natural disaster | Financial risk;<br>Risk of litigation;<br>Reputational risk   | 1x1=1<br>Low | Part of the school insurance review process organised by the Finance Officer;<br>Regular liaison with insurance companies & HR Adviser;<br>Buildings insurance held by the school;<br>Fixtures, Fittings, Employer, Public Liability, Professional Indemnity held by the school   | Fully |  |  |  |
| Failure of the school to recruit Governors who have the correct profile   | Risk that a governor could attract negative publicity;<br>Risk that the stakeholders and beneficiaries view governors as merely an extension of the SLT;<br>Risk that stakeholders and beneficiaries lose confidence. | 1x1=1<br>Low | Preferred skills identified by Governing Body;<br>HT, DH & Governors meet with potential governors;<br>Independent Clerk to the Governing Body;<br>Governor training and Induction  | Fully |  |  |  |
| Failure of the school to produce open and regular   | Management and admin costs are perceived as too high;   | 1x1=1<br>Low | Monthly Management Accounts;  | Fully |  |  |  |

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| management accounts  | SLT salaries are perceived as being too high;<br>School reserves are seen to be too high and not directed towards meeting the school objectives  |              | Reports to SLT and Governing Body;<br>Budget Monitoring;<br>Awareness of Financial regulations;<br>Internal and External Audit  |       |  |  |  |
| Failure of the school to have financial management systems that prevent fraud  | Financial risk;<br>Risk of litigation;<br>Reputational risk;<br>Risk to the future of the school   | 2x1=2<br>Low | Monthly Management Accounts;<br>Regular and timely reconciliations;<br>Robust Financial policies and procedures;<br>Financial Regulations;<br>Internal and External Audit   | Fully |  |  |  |
| Failure of the school to comply with legislative requirements  | Financial risk;<br>Reputational risk;<br>Risk of litigation;<br>Risk of poor morale affecting staff and beneficiaries;<br>Risk to the future of the school   | 2x1=2<br>Low | Clear policies disseminated by staff;<br>Risk assessment process;<br>Health and Safety Policy;<br>Subscribe to Data Protection Act  | Fully |  |  |  |
| Failure of the Academy and the Governing Body to ensure that the school have a robust organisational approach in place to deliver governance of the school | Risk that committees fail to operate;<br>Risk that committee delegation is poor;<br>Risk that the Governing Body do not delegate or delegate too much to the Head or SLT;<br>Risk that terms of reference are inadequate and unfit for purpose | 1x1=1<br>Low | Independent Clerk to the Governing Body;<br>Governor training and induction;<br>Register of Governor Interests;<br>Internal audit;<br>Minutes of Governing Body   | Fully |  |  |  |
| Failure of the Academy and the Governing Body to have procedures in place to cover the absence of the Head of the School or other members of SLT           | Financial risk;<br>Reputational risk;<br>Risk of poor morale affecting staff and beneficiaries;<br>Risk to the day to day operation of the school  | 2x2=4<br>Med | Clear guidance of senior staff roles;<br>Clear cover arrangements;<br>Active Governing Body membership;<br>Access to school management for guidance and support;<br>Crisis Management/Disaster Plan updated regularly | Fully |  |  |  |
| Failure of the Academy and the   | Financial risk;<br>Reputational risk;  | 2x2=4<br>Med | Clear guidance of office staff roles;   | Fully |  |  |  |

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| Governing Body to have procedures in place to cover the loss or absence of key office staff | Risk of poor morale affecting staff and beneficiaries;<br>Risk to the day to day operation of the school |  | Clear cover arrangements;<br>Adequate training;<br>Access to school management for guidance and support;<br>Crisis Management/Disaster Plan updated regularly in liaison with H&S Adviser |  |  |  |  |
|---|--|--|---|--|--|--|--|

### Operational Risks

| Risk description   | Risk consequence  | Risk score   | Existing controls and evidence  | Existing controls<br>Adequate:<br>Fully or partially met | Details of actions required to improve controls | Person responsible | Target date |
|--|---|--------------|---|--|---|--------------------|-------------|
| Failure to ensure that the quality of Management Information produced by the school is of a high quality                   | Risk that financial and non-financial performance can't be managed or reviewed by SLT;<br>Risk that financial and non-financial performance can't be challenged or reviewed by the Trust or Governing Body;<br>Risk to the school of receiving poor audits and inspections                    | 2x1=2<br>Low | Regular reporting and review of performance against targets for recruitment;<br>SLT Review process;<br>Trustee and Governing Body reports and minutes;<br>Scholarpack | Fully  |   |                    |             |
| Failure to ensure that the Management Information produced by the school is timely   | Risk that financial and non-financial performance can't be managed by SLT because it is out of date;<br>Risk that financial and non-financial performance can't be challenged by the Governing Body because it is out of date;<br>Risk to the school of receiving poor audits and inspections | 2x1=2<br>Low | Regular reporting and review of performance against targets for recruitment;<br>SLT Review process;<br>Trustee and Governing Body reports and minutes;<br>Scholarpack | Fully  |   |                    |             |
| Failure to ensure that the quantity of Management Information produced by the school is good enough to aid decision making | Risk that the SLT can't make informed decision making;<br>Risk that the Governing Body can't make informed strategic decisions  | 2x1=2<br>Low | Regular reporting and review of performance against targets for recruitment;<br>SLT Review process;<br>Trustee and Governing Body reports and minutes<br>Scholarpack  | Fully  |   |                    |             |

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| <p>Failure to ensure that the Governors who are recruited to the Governing Body possess the skills and experience required to run the school</p> | <p>Risk of insufficient educational knowledge within the Governing Body;<br/> Risk that the Governors do not have the required experience;<br/> Risk that Governors fail to honour their obligations leading to poor availability and attendance at meetings;<br/> Risk that too much emphasis is placed on entrepreneurial work and the strategic objectives of the school are then ignored;<br/> Risk that Governors become too involved with management of the school;<br/> Risk that Governors do not act solely in the interest of the school but for other interests e.g. business;<br/> Risk that the Governing Body has no financial expertise;<br/> Risk that Governors play a "passive" role on the GB</p> | <p>2x1=2<br/> Low</p> | <p>Preferred skills identified by Governing Body;<br/> HT, DH &amp; Governors meet with potential governors;<br/> Independent Clerk to the Governing Body;<br/> Governor training and induction;<br/> Register of Governing Body interests</p> | <p>Fully</p> |  |  |  |
| <p>Failure to ensure that the Managers of the school possess the skills and experience required to manage the school</p>                         | <p>Risk to staff and beneficiaries of low morale;<br/> Risk of poor recruitment of learners to the school;<br/> Risk of poor retention and success rates;<br/> Risk of recruiting unsuitable staff;<br/> Risk of poor appraisal, CPD processes and the need to instigate costly disciplinary procedures, tribunals etc; Risk that school procedures and processes are not undertaken in a satisfactory manner;<br/> Risk that health and safety and safeguarding could be compromised amongst beneficiaries, staff and stakeholders;</p>   | <p>2x1=2<br/> Low</p> | <p>School Recruitment and Selection Policy and Procedures;<br/> Continuing professional development;<br/> Active Governing Body membership;<br/> Staff development strategy;<br/> Support of Capita HR Department</p>                          | <p>Fully</p> |  |  |  |

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|   | Financial risk;<br>Risk of litigation;<br>Risk to the achievement of the school's strategic objectives   |                  |  |       |  |  |  |
| Failure to ensure that staff recruited to the school have the required skills and expertise to meet the strategic objectives of the school          | Risk to staff and beneficiaries of low morale;<br>Risk of poor recruitment of learners to the school;<br>Risk of poor retention and success rates;<br>Risk of recruiting unsuitable staff;<br>Risk of poor appraisal, CPD processes and the need to instigate costly disciplinary procedures, tribunals etc;<br>Risk that school procedures and processes are not undertaken in a satisfactory manner;<br>Risk that health and safety and safeguarding could be compromised amongst beneficiaries, staff and stakeholders;<br>Financial risk;<br>Risk of litigation;<br>Risk to the achievement of the school's strategic objectives | 2x1=<br>2<br>Low | School Recruitment and Selection Policy and Procedures;<br>Continuing professional development;<br>Active Governing Body membership;<br>Staff development strategy;<br>Support of Capita HR Department | Fully |  |  |  |
| Failure to ensure that the income due to the school is collected in a timely and efficient manner and fully reconciled as per financial regulations | Financial risk;<br>Risk to the achievement of the school's strategic objectives;<br>Risk of competitors competing for donations and grants from the same providers;<br>Risk that grants may not be used for the purposes they were intended;<br>Risk of poor audit reports.  | 2x1=<br>2<br>Low | Monthly Management Accounts;<br>Performance Monitoring Reports   | Fully |  |  |  |
| Failure to ensure that Goods and Services are purchased in line with financial regulations and that   | Financial risk;<br>Reputational risk;<br>Risk to the achievement of the school's strategic objectives;<br>Risk to the financial viability of suppliers;  | 2x1=<br>2<br>Low | Monthly Creditor Accruals;<br>Monthly reports from the school;<br>Financial Regulations awareness;   | Fully |  |  |  |

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| suppliers are paid in a timely and efficient manner   | Risk of breaking financial regulations;<br>Risk of poor audit reports;<br>Risk of breaking the Bribery Act leading to litigation   |              | Internal controls operated by the school;<br>BACs Payment system used by the school;<br>Effective internal and external audit          |       |  |  |  |
| Failure to ensure that a comprehensive up to date list of suppliers to the school is maintained | Risk that by using a key supplier, supplies may not always be available;<br>Risk that the quality of supplies could be compromised;<br>Risk that the availability of competitive prices will be compromised;<br>Risk to the achievement of the school's strategic objectives | 2x1=2<br>Low | Financial Regulations awareness;<br>Internal controls operated by the school Finance Officer;<br>Effective internal and external audit |       |  |  |  |
| Failure to implement a risk management strategy   | Failure to optimise educational opportunities;<br>Non-compliance with school funding agency requirements;<br>Exposure of the school to unnecessary risk;<br>Increased costs e.g. insurance   | 2x1=2<br>Low | Risk Strategy;<br>Risk Register and Action Plans;<br>Governing Body reporting mechanisms   | Fully |  |  |  |

### Compliance Risks

| Risk description   | Risk consequence   | Risk score   | Existing controls and evidence   | Existing controls Adequate: Fully or partially met | Details of actions required to improve controls | Person responsible | Target date |
|--|--|--------------|--|--|---|--------------------|-------------|
| Failure to ensure that the school comply with employee legislation | Risk that legislative requirements are not known or complied with;<br>Risk that Equal Opportunities legislation may not be complied with or discrimination in the work place may occur;<br>Risk that Data Protection legislation may not be complied with; | 2x1=2<br>Low | Support of school's contracted HR service and the associated policies and procedures;<br>Support of school Data Protection Officer and supporting policy and procedure;<br>Health and Safety Policy;<br>First Aid Policy;<br>Fire Safety Policy; | Fully  |   |                    |             |

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|--|---|----------------------|---|--------------|--|--|--|
|  | <p>Risk that Human Rights legislation may not be complied with;</p> <p>Risk that employee contract legislation may not be complied with;</p> <p>Risk that employee Pension legislative requirements are not known or complied with;</p> <p>Risk that Health and Safety legislative requirements are not known or complied with</p>  |                      |   |              |  |  |  |
| <p>Failure to ensure that the school comply with environmental legislation</p>   | <p>Risk that UK legislative requirements are not known or complied with;</p> <p>Risk that EU legislative requirements are not known or complied with</p>  | <p>2x1=2<br/>Low</p> | <p>Reporting to SLT, and Governing Body;<br/>Support of H&amp;S Adviser</p>   | <p>Fully</p> |  |  |  |
| <p>Failure to ensure that the Financial Reporting requirements of the school are met</p>   | <p>Risk that the legislative requirements relating to the production and reporting of the Statutory Accounts are not known or complied with;</p> <p>Risk that the legislative requirements relating to Accounting Standards are not known or complied with;</p> <p>Risk that the Charities Statement of Recommended Practice (SORP) legislative requirements are not known or complied with</p> | <p>2x1=2<br/>Low</p> | <p>Monthly Management Accounts;<br/>Reports to SLT and the Governing Body;<br/>Budget monitoring;<br/>Awareness of Financial Regulations;<br/>Support of the school Finance Officer and associated policies and procedures;<br/>Effective Internal and External Audit;<br/>3 year financial forecasts</p> | <p>Fully</p> |  |  |  |
| <p>Failure to ensure that up to date information regarding the legislation relating to charities is maintained and kept updated by senior management in the school</p> | <p>Risk that legislative requirements are not known or complied with;</p> <p>Financial risk;</p> <p>Risk that the Governing Body are not aware of their legislative obligations</p>   | <p>2x1=2<br/>Low</p> | <p>Independent Clerk to the Governing Body;<br/>Networking Groups;<br/>EFA Updates;<br/>School website</p>  | <p>Fully</p> |  |  |  |

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|---|---|--------------|---|-------|--|--|--|
| Failure to ensure that the school comply with legislation regarding Tax   | Risk that legislative requirements relating to VAT, PAYE, National Insurance etc is not known or complied with;<br>Financial risk;<br>Litigation risk   | 2x1=2<br>Low | VAT support from Finance Officer & Auditors;<br>Support of school's contracted HR service and the associated policies and procedures  | Fully |  |  |  |
| Failure to ensure that the school ensures that Data Protection systems, procedures and processes are adequate           | Risk that the legislative requirements relating to the protection of data are not known or complied with;<br>Financial risk;<br>Litigation risk   | 2x1=2<br>Low | Support of school Data Protection Officer and supporting policy and procedure   | Fully |  |  |  |
| Failure to ensure that the school is compliant in relation to welfare issues  | Risk that the legislative requirements relating to disability are not known or complied with;<br>Risk that the legislative requirements of the Child Protection Act are not known or complied with            | 2x1=2<br>Low | Support of school's contracted HR service and the associated policies and procedures;<br>Parent and Carer Communication;<br>DBS Policy;<br>Personal, Social, Health and Economic Education Policy;<br>Reporting mechanisms to the Governing Body. | Fully |  |  |  |
| Failure to ensure that the school is compliant in respect of the requirements of the school sector                      | Risk that the legislative requirements relating to the National Curriculum are not known or complied with;<br>Risk that the legislative requirements relating to mental health are not known or complied with | 2x1=2<br>Low | Reporting mechanisms to the Governing Body  | Fully |  |  |  |
| Failure to ensure that the school is compliant in respect of the requirements of the Government and the Local Authority | Risk that the terms and conditions relating to the payment of grant is not known or complied with;<br>Risk that the legislative requirements relating to licensing are not known or complied with             | 2x1=2<br>Low | Independent Clerk to the Governing Body;<br>Reports to SLT and the Governing Body;<br>Ofsted Inspections;<br>Internal and External Audit;<br>Networking;<br>Visits to other schools;  | Fully |  |  |  |

## Financial Risks

| Risk description   | Risk consequence   | Risk score   | Existing controls and evidence   | Existing controls Adequate: Fully or partially met | Details of actions required to improve controls | Person responsible | Target date |
|--|--|--------------|--|--|---|--------------------|-------------|
| Failure to ensure that the school maintains overall financial control in relation to its budget      | Risk that a budget cannot be prepared in accordance with the DfE's timetable;<br>Risk that the budget will be in deficit;<br>Risk that the actual financial performance of the school is not measured against the budget on a regular basis;<br>Risk that the budget headings are manipulated to ensure that targets are met | 2x1=2<br>Low | Monthly Management Accounts;<br>Budget Monitoring Reports;<br>Reports to SLT and the Governing Body  | Fully  |   |                    |             |
| Failure to ensure that the school maintains overall financial control in relation to reconciliations | Risk that bank account reconciliations and other key reconciliations are not completed and reviewed;<br>Risk that suspense accounts are not cleared or reconciled  | 2x1=2<br>Low | Strict month end and year end accounts timetable;<br>Financial Regulations;<br>Internal Controls;<br>Internal and External Audit   | Fully  |   |                    |             |
| Failure to ensure that the financial systems of the school are suitable                              | Risk that the financial system is not suitable for the needs of the school;<br>Financial risk;<br>Reputational risk  | 2x1=2<br>Low | Monthly Management Accounts;<br>Budget Monitoring Reports;<br>Reports to SLT and the Governing Body;<br>Internal and External Audit  | Fully  |   |                    |             |
| Failure to ensure that the financial systems of the school are maintained                            | Risk that the financial system will not provide the Governors and SLT with regular and up to date information on the financial performance;<br>Risk that financial decisions may be made, that are not in the best interest of the school;<br>Significant financial risk   | 2x1=2<br>Low | Monthly Management Accounts;<br>Budget Monitoring Reports;<br>Reports to SLT and the Governing Body;<br>Awareness of Financial Regulations;<br>Support of the school Finance Officer and associated policies and procedures;<br>Effective Internal and External Audit;<br>3 year financial forecasts | Fully  |   |                    |             |

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| Failure to ensure that an adequate disaster recovery plan is in place in relation to the school's financial systems | Risk that financial information cannot be recovered in the event of a disaster e.g. fire, vandalism, theft;<br>Risk to the delivery of the school's vision;<br>Significant financial risk;<br>Significant operational risk   | 3x1=<br>3<br>Med | School Crisis Management/Disaster Plan;<br>Security systems operated by the school;<br>Risk Assessment Policy and Procedures operated by the school;<br>Off-site back-up storage and enhanced systems to recover information and data | Fully |  |  |  |
| Failure to ensure that the financial systems of the school are secure   | Risk of unauthorised access to financial systems;<br>Risk of litigation;<br>Significant financial risk   | 3x1=<br>3<br>Med | School Crisis Management/Disaster Plan;<br>Off-site back-up storage and enhanced systems to recover information and data  | Fully |  |  |  |
| Failure to ensure that general income due to the school is collected in a timely manner and recorded accurately     | Risk that sales invoices are not raised for all transactions;<br>Risk that donations in kind or intangibles are not recorded or recognised in the financial statements   | 2x1=<br>2<br>Low | Monthly Management Accounts;<br>Effective Credit Control operated by the school;<br>Monthly Performance Monitoring Reports  | Fully |  |  |  |
| Failure to ensure that restricted income due to the school is collected in a timely manner and recorded accurately  | Risk that restricted income is not recorded correctly;<br>Risk that restricted income is used for purposes other than restriction;<br>Risk that restricted funds are transferred to unrestricted funds without the consent of the donor;<br>Risk to future funding of the school | 2x1=<br>2<br>Low | Monthly Management Accounts;<br>Monthly Performance Monitoring Reports;<br>Reports to SLT and the Governing Body;<br>Budget monitoring  | Fully |  |  |  |
| Failure to ensure that sponsorship funding is collected in a timely manner and recorded accurately                  | Risk that sponsorship targets are not met;<br>Risk that sponsorship promised by individual partners is not delivered   | 2x1=<br>2<br>Low | Monthly Management Accounts;<br>Effective Credit Control operated by the school;<br>Monthly Performance Monitoring Reports  | Fully |  |  |  |
| Failure to ensure that donations and income are not subject to fraud  | Risk that donations are misappropriated;<br>Financial risk;<br>Reputational risk;<br>Risk of litigation  | 2x1=<br>2<br>Low | Monthly Management Accounts produced by the school;<br>Internal Controls of the school;   | Fully |  |  |  |

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|--|---|--------------|---|-------|--|--|--|
|  |   |              | Regular and timely reconciliations operated by the school;<br>Robust Financial policies and procedures operated by the school;<br>Internal and External Audit;                |       |  |  |  |
| Failure to ensure that the Expenditure in the school is controlled                                     | Risk that expenditure is not authorised;<br>Risk that expenditure is allocated incorrectly between budget headings;<br>Risk that discounts or price reductions due to the school on purchases of goods and services are not obtained;<br>Risk that expenditure is not applied to the correct accounting period; | 2x1=2<br>Low | Monthly Management Accounts;<br>Reports to SLT and the Governing Body;<br>Budget Monitoring;<br>Awareness of Financial regulations;<br>Effective Internal and External Audit; | Fully |  |  |  |
| Failure to ensure that the school have a robust set of Treasury procedures in place                    | Risk that cash flow requirements are not forecast;<br>Risk that cash is all committed to investment and insufficient is available to meet short term cash flow needs:<br>Financial risk   | 2x1=2<br>Low | Robust Financial policies and procedures operated by the school;<br>Financial regulations of the school;<br>Internal and External Audit                                       | Fully |  |  |  |
| Failure to ensure that the school has a robust set of Fixed Asset procedures in place                  | Risk that assets are not capitalised;<br>Risk that the depreciation rate is not appropriate   | 2x1=2<br>Low | Financial policies and procedures operated by the school;<br>Financial regulations of the school;<br>Internal and External Audit  | Fully |  |  |  |
| Failure to ensure that the school has a robust set of procedures in place with regard to stock control | Risk that stock is misappropriated;<br>Significant financial risk   | 2x1=2<br>Low | Financial policies and procedures operated by the school;<br>Financial regulations of the school;<br>Internal and External Audit  | Fully |  |  |  |
| Failure to ensure that the school has a robust debtor procedure in place                               | Risk that debts owed to the school are not recovered;<br>Risk that provision for unpaid debt is under / over stated in the  | 2x1=2<br>Low | Monthly management Accounts;<br>Monthly Performance Monitoring Reports;<br>Internal and External Audit  | Fully |  |  |  |

|   |   |              |  |       |  |  |  |
|---|---|--------------|--|-------|--|--|--|
|   | school's annual financial statements;<br>Risk that the details of debt is not an accurate record;<br>Risk that debtors are not accounted for in the correct period;   |              |  |       |  |  |  |
| Failure to ensure that the school have a clear policy in place relating to taxation | Risk that the school is liable for tax on non-school trading activity;<br>Risk that the school is not aware of changes in taxation legislation  | 2x1=2<br>Low | VAT support from Finance Officer<br>Support of school's contracted HR service and the associated policies and procedures;  | Fully |  |  |  |
| Failure of the school to make provision for contingent liability risk               | Risk that the school has not recognised provisions and commitments in respect of pension liabilities;<br>Risk that the school has entered into future commitments without having the future funding.  | 2x1=2<br>Low | Financial policies and procedures operated by the school;<br>Financial regulations of the school;<br>Internal and External Audit   | Fully |  |  |  |
| Failure to ensure that the funds of the school are monitored closely                | Risk that funding levels are too low or too high;<br>Risk that unrestricted funds are in deficit and restricted funds are in surplus;<br>Risk that capital in permanent endowment funds is not maintained   | 2x1=2<br>Low | Monthly Management Accounts;<br>Internal Controls of the school;<br>Regular and timely reconciliations;<br>Robust Financial policies and procedures;<br>Financial Regulations;<br>Internal and External Audit; | Fully |  |  |  |
| Failure of the school to monitor the performance of the employee pension scheme(s)  | Risk that the pension scheme(s) are in significant deficit;<br>Risk that the employer pension contribution increases significantly;<br>Risk that the school is not making the correct level of contribution to the pension scheme(s) on behalf of the employees;<br>Risk that the morale of staff may be affected;<br>Financial Risk. | 3x1=3<br>Med | Advice from Teachers' Pensions & Your Pension Service;<br>Historically low risk pension schemes;<br>Pension scheme performance;<br>Periodic staff presentations by Pensions Consultants;<br>External Audit     | Fully |  |  |  |