



# **Spa Education**

## **Risk Management Policy & Risk Register**

**C O N F I D E N T I A L**

**Introduction**

The Risk Register is a ‘working document’ and will be regularly updated and monitored by the Operations Committee. Changes to the Risk Management Policy will require agreement by the Board of Trustees.

Risk Management Policy & Risk Register Approved by the Board of Trustees on 12<sup>th</sup> July 2021.

Signed by Chair of Trustees .....

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## **Risk Management Policy**

1. The management of risks to the trust is undertaken in accordance with the Funding Agreement and the Academies Financial Handbook.
2. The Board of Trustees is 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 Operations Committee advises the Board of Trustees in this role and both are advised and informed by the Senior Leadership Team.
3. The Board of Trustees fulfils its role by establishing the system of internal control:
  - 3.1. Approving and reviewing a series of policies that underpin the internal control process;
  - 3.2. Agreeing objectives, plans and resources by means of the budget and the annual School Improvement Plan;
  - 3.3. Approving this policy statement and the attached Risk Register (prepared by the Operations Committee) and reviewing them carefully each year to identify risks, near misses and opportunities;
  - 3.4. Considering carefully the advice from the internal and external auditors on internal financial controls.
4. The Senior Leadership Team fulfils its Risk Management role by:
  - 4.1. implementing governors' policies on risk management and internal control;
  - 4.2. advising the Operations Committee of the fundamental risks faced by the trust and helping to evaluate them;
  - 4.3. providing timely and sufficient information to governors and the Operations Committee on the status of risks and controls;
  - 4.4. assisting the Operations Committee to draw up and revise the Risk Register;
  - 4.5. working to embed risk management and risk-based internal control in all aspects of trust management.
5. The Risk Register has been completed in the form recommended in the Academies Financial Handbook and it uses the terms listed there. The Operations Committee will recommend it to the Board of Trustees who shall revise it annually.
6. In its annual consideration of the Risk Register, the Board of Trustees should consider these issues:
  - 6.1. Whether risk management continues to be linked to the achievement of the objectives of the trust;
  - 6.2. The appropriate risk appetite or level of exposure for the trust as a whole;

- 6.3. Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the trust's objectives;
- 6.4. Whether risk assessment and risk-based internal control are embedded in on-going operations and form part of its culture;
- 6.5. Changes in the nature and extent of fundamental risks and the trust'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;
- 6.6. The extent and frequency of reports on internal control to the Board of Trustees and whether this is sufficient to build up a cumulative assessment of the state of control and effectiveness of risk management;
- 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;
- 6.8. The effectiveness of the trust's public reporting processes;
- 6.9. The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.

## **Risk Register**

The Risks to the Academy are divided into four sections:

- A. Strategic and Reputational Risks
- B. Operational Risks
- C. Compliance Risks
- D. Financial Risks

Abbreviations used in the Risk Register:

- BT – Board of Trustees
- OC – Operations Committee
- EX – Executive Head
- HT – Headteacher
- SFO – Senior Finance Officer

### **Tolerate**

Risk is where no action is taken. This may be because the cost of instituting controls is not cost-effective or the risk or impact is so low that they are considered acceptable. For instance, the academy trust may decide to tolerate the risk of contracting with a supplier with a poor credit rating provided the goods/services could be obtained relatively easily from someone else.

### **Treat**

Risk involves controlling it with actions to minimise the likelihood of occurrence or impact. There may also be contingency measures to reduce impact if it does occur. For instance, an academy trust may decide to train more than the statutory minimum of staff as paediatric first aiders and to put in place a rota for first aid cover during lunchtimes.

**Transfer**

Risk may involve the use of insurance or payment to third parties willing to take on the risk themselves (for instance, through outsourcing). An academy trust may decide to take out insurance to mitigate the risk of the excessive costs of supply staff in the event of extended staff absences.

**Terminate**

Risk can be done by altering an inherently risky process to remove the risk. If this can be done without materially affecting operations, then removal should be considered, rather than attempting to treat, tolerate or transfer. Alternatively, if a risk is ranked highly and the other potential control measures are too expensive or otherwise impractical, the rational decision may well be that this is a process the academy trust should not be performing at all. For instance, academy trusts may decide to end an established after school club if it is impractical to get suitably qualified staff to cover it.

## 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	Person(s) responsible for action	Date of next review
<b>A1. Strategic risk</b>	<b>Academy objects risk</b>	Academy is not operating within its objects	1	3	Tolerate		BT	
		Academy's objects become out of date / are no longer appropriate	1	1	Tolerate	Members keep under review	BT	
		Academy receives unfavourable Ofsted report	1	4	Treat	Regular review of school evaluations and targets. (Outstanding in 2015)	EX / HT	
	<b>Academy status risk</b>	Risk that the academy could lose its academy status	1	1	Tolerate		BT / EX	
	<b>Long term demand risk</b>	Insufficient demand for the academy's services leaves it unsustainable	1	5	Tolerate		EX / HT	

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	Person(s) responsible for action	Date of next review
<b>A1. Strategic risk</b>	<b>Competition risk</b>	Presence of other organisations with similar objects and little scope for differentiation	3	1	Tolerate		EX / HT	
		Other organisations competing for the same sources of income	5	1	Treat	Annual review of commissioned places and top-up costs	EX / HT	
	<b>Stakeholder risk</b>	Beneficiaries / other stakeholders don't consider that the academy provides a valuable / high quality service	1	4	Treat	Continuous organisational improvement through School Development Plans	EX / HT	
	<b>Alliance / partnership risk</b>	Appropriateness of alliance	3	1	Tolerate	Thorough due diligence before any alliance / partnership considered	BT / EX	
		Integrity of partner risk	1	1	Tolerate		EX / HT	
	<b>Investment powers risk</b>	Risk of Trustees not acting in accordance with their investment powers	1	2	Tolerate	Procedures in Finance Policy followed	BT / Chair	



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	Person(s) responsible for action	Date of next review	
<b>A1. Strategic risk</b>	<b>Insurance risk</b>	Risk of financial loss / inability to replace items if academy does not have adequate cover	1	4	Treat	Annual review of insurance value against assets	HT / SFO		
	<b>Macro-economic risk</b>	Risk of the impact an uncontrollable event will have on the academy e.g. recession, war	1	4	Treat	Manage reserves to reduce risk	HT / SFO		
	<b>Natural disaster risk</b>	Risk of the impact an uncontrollable event will have on academy e.g. fire, pandemics, flood	2	4	Treat / Transfer	Some risk transferred to insurers. Regular review of Business Continuity Policy	HT / SFO		
	<b>Technology risk</b>	Information security risk		2	4	Treat	Procedures in ICT Policy and robust backup procedures	HT / IT Network Mgt	
		Virus risk / corruption of data risk / loss of ICT		2	4	Treat	Anti-virus software on all machines and roust backup procedures	HT / IT Network Mgt	
		IT systems out of date / no longer supported		3	3	Treat	Planning for regular renewal	HT / IT Network Mgt	

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	Person(s) responsible for action	Date of next review
<b>A2. Public profile risk</b>	<b>Academy objects risk</b>	Academy not seen by the public to be meeting its objects	1	3	Tolerate		EX / HT	
		Objects of the academy are controversial or may attract a high level of public interest	1	2	Tolerate		BT / EX	
	<b>Trustee profile risk</b>	Trustees have a high public profile and may cause the academy to attract publicity	1	2	Tolerate		BT / EX	
		Trustees are seen by the public to be paid a high amount for expenses	1	2	Treat	Policy on Governors' Expenses	BT / EX	
		Trustees are not considered to be arm's length from the academy	1	2	Tolerate		BT / EX	

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	Person(s) responsible for action	Date of next review
<b>A2. Public profile risk</b>	<b>Expenditure risk</b>	Management and administration costs are perceived by the public to be high	2	3	Treat	Regularly reviewed by the Operations Committee	OC / EX / HT	
		Senior management of the academy are seen by the public to be paid high salaries	1	2	Treat	Salaries reviewed against pay scales – see Pay Policy	OC / EX / HT	
		Reserves level risk – Academy seen to be holding reserves and not spending enough on its academy objects	1	1	Tolerate		BT / OC / EX / HT	
	<b>Quality of service / product risk</b>	Academy provides a poor quality service to its beneficiaries / customers	1	3	Treat	Review regular to ensure high standards maintained	HT	
	<b>Fraud risk</b>	Fraud discovered at the Academy attracts bad publicity	1	4	Treat	Financial procedures and policies / Audit in place	OC / EX / HT / SFO	

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	Person(s) responsible for action	Date of next review
<b>A2. Public profile risk</b>	<b>Failure to comply with legislation risk</b>	Failure to comply with Health and Safety legislation results in an employee, volunteer, or beneficiary of the academy being injured at work, attracting bad publicity	2	4	Treat	Apply Health and Safety Policy and Risk Assessments. Oversight by the Operations Committee	OC / EX / HT	
		Failure to comply with employment law – e.g. unfair dismissal of an employee – attracts adverse publicity	1	3	Treat	Make full use of HR advice to avoid such situations	HT	
	<b>Litigation risk</b>	Academy is involved in litigation	2	4	Treat	Maintain high standards in all aspects of the school	EX / HT	

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	Person(s) responsible for action	Date of next review
<b>A3. Board of Trustees organisation risk</b>	<b>Delegation risk</b>	Committees not established with delegated, e.g. finance, personnel etc.	1	3	Treat	Periodic review to ensure they are still current and working effectively	BT / EX	
		Committee terms of reference not sufficiently flexible	1	3	Treat	Periodic review to ensure they are still current and working effectively	BT / EX	
		Trustees delegate too little / too much to the Headteacher and/or Senior Finance Officer	2	4	Treat	Keep under regular review	BT / EX	
	<b>Headteacher / SFO absence risk</b>	Trustees do not ensure rigorous monitoring is undertaken in the absence of the Headteacher and/or Senior Finance Officer	1	3	Tolerate		BT	

## 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	Person(s) responsible for action	Date of next review
<b>B1. Management information risk</b>	<b>Quality risk</b>	Risk that information produced for Trustees and SLT is not accurate or not in a format suitable for monitoring the performance of the academy	2	4	Treat	Internal quality assurance Information is monitored using independent sources of advice, especially Auditor, financial and independent advisers	EX / HT	
	<b>Timeliness risk</b>	Risk that management information is not available quickly after the period to which it relates	1	3	Treat	Kept under review by BT, Committees and SLT	BT / OC / EX / HT	
	<b>Review risk</b>	Risk that management information is not subject to review	1	3	Treat	Periodic review by BT, Committees and SLT	BT / EX / HT	
		Risk that action is not taken after the review of management information	1	3	Treat	Action Points always identified in minutes and reviewed at next meeting	BT / OC / EX / HT / SFO	

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	Person(s) responsible for action	Date of next review
<b>B1. Management information risk</b>	<b>Quality risk</b>	Risk that too little management information is produced to facilitate informed decision making	1	3	Treat	Kept under review by BT, Committees and SLT	BT / OC / EX / HT	
<b>B2. Human resources risk</b>	<b>Trustee risk</b>	Insufficient experience of the academy / education sector	1	3	Treat	Governor training	BT	
		Trustees without required expertise	3	1	Treat	Governor training	BT	
		Lack of availability / poor attendance at meetings	1	3	Treat	Membership review	BT	
		Entrepreneurial risk – risk that Trustees are too entrepreneurial. Risk that activities of the academy could be outside its objects	1	3	Tolerate	Not a risk at present	BT	

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	Person(s) responsible for action	Date of next review
<b>B2. Human resources risk</b>	<b>Trustee risk</b>	Trustees become too involved with management of the academy	1	3	Tolerate		BT / EX	
		Trustees are not independent of management	1	2	Tolerate		BT / EX	
		Trustees do not act solely in the interest of the academy but for their business / other interests etc.	1	4	Treat	Declarations of interest required by Trustees	BT / EX	
		Passive Trustees	2	2	Treat	Governor training	BT / EX	
	<b>Management risk</b>	Senior management capability / experience of academy sector risk	1	4	Treat	Provide training	HT	
		Integrity risk	1	3	Tolerate	Professional code of conduct	HT	
		Key person loss / succession risk	2	3	Treat	Put succession plan in place	EX / HT	



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	Person(s) responsible for action	Date of next review
<b>B2. Human resources risk</b>	<b>Staff risk</b>	Low morale risk	2	2	Treat	Monitored by Head. Staff wellbeing systems	HT	
		Retention risk	2	2	Treat	Review pay policy and allowances	EX / HT	
		Unable to attract the right level of skills in some subject areas	2	3	Treat	Review pay policy and allowances	EX / HT	
		Recruitment risk (recruiting someone unsuitable to work with children)	1	3	Treat	Follows best practice in recruitment Ensure DBS procedures are strictly applied	EX / HT / SFO	
		Staff matters not referred to HR professionals, may lead to tribunals	1	4	Treat	HR advice sought regularly on all difficult issues	EX / HT	
		Lack of training risk	1	2	Tolerate	Ensure all staff have training opportunities	EX / HT	
		Mass staff absence	2	3	Treat	HR advice sought / agency staff	EX / HT	

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	Person(s) responsible for action	Date of next review
<b>B2. Human resources risk</b>	<b>Volunteer risk</b>	Excessive reliance on volunteers	1	2	Tolerate	Not a practical risk at present	HT	
		Lack of control over volunteers	1	2	Treat	Training and monitoring	HT	
		Risk that volunteers are not of appropriate quality / vetted / DBS checked	1	5	Treat	Apply Safeguarding Policy and safer recruitment practice to volunteers	HT / SFO	
	<b>H &amp; S risk</b>	Injury to students, staff or visitors while on site	2	2	Treat	Robust risk assessments in place	HT	
		Incident on a trip outside of school	2	4	Treat	Robust risk assessments in place	HT	
		Fatality to staff, students or visitors	1	5	Treat	Robust risk assessments in place	EX / HT	
		Contractors on site do not abide by H&S rules	2	3	Treat	Ensure appropriate supervision and intervene if any breaches are observed	HT	
		Outbreak of illness or disease	1	3	Treat	Ensure communications with all parties are clear	EX / HT	

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	Person(s) responsible for action	Date of next review
<b>B3.</b> <b>Premises risk</b>	<b>Security risk</b>	The site is targeted by thieves	2	3	Treat	Improve site security and ensure insurance policies cover theft	EX / HT / SFO	
<b>B4.</b> <b>Income risk</b>	<b>Donor risk</b>	Academy heavily reliant on one donor	1	1	Tolerate	Not a practical risk at present	EX / HT	
		Donor has a strong influence / power over academy's activities	1	1	Tolerate	Not a practical risk at present	EX / HT	
	<b>Marketing risk</b>	Other academies and charities competing for donations or similar sources of income	1	2	Treat	Annual confirmation of commissioned places	HT / SFO	
	<b>Grants receivable risk</b>	Grants receivable not used for the purposes for which they were given	1	3	Treat	Use Finance policy. Auditors to identify problems	HT / SFO	
		Grants receivable reporting requirements are not adhered to	1	2	Treat	Use Finance policy. Auditors to identify problems	HT / SFO	
		GAG received late or sum reduced	3	4	Tolerate	Reserves managed prudently	HT / SFO	

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	Person(s) responsible for action	Date of next review
<b>B5. Supplier risk</b>	<b>Supplier selection risk</b>	Supplier financial viability	2	3	Treat	Rigorous tendering and payments processes applied	SFO	
		Supplier inappropriate	2	3	Treat	Apply Financial Procedures	SFO	
		Supplier connected with either Trustees or staff	1	3	Treat	Declaration of interest by Trustees and staff	SFO	
		Quality risk	2	3	Treat	Clear specifications	SFO	
	<b>Key Supplier</b>	Risk that supplies not available	2	3	Tolerate	No action practicable to avoid the task	SFO	
	<b>Dependency and value for money risk</b>	Risk of dependency on few suppliers	2	3	Treat	Rigorous tendering process	SFO	
		Purchase price risk	2	2	Treat	Regular reviews of suppliers	SFO	
		Efficiency risk	2	3	Treat	Regular monitoring	SFO	

### 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	Person(s) responsible for action	Date of next review
<b>C1. Main Controlling Agency risk</b>	<b>ESFA risk</b>	Non-compliance with ESFA requirements	1	5	Treat	Ensure deadlines are noted and submissions made on time	SFO	
<b>C2. Employee legislation risk</b>	<b>Employment laws risk</b>	Risk that legislative requirements are not known or complied with	1	4	Treat	Termly updates provided by Southwark Council		
		Discrimination risk	1	4	Treat	See Equality Policy	HT	
		Data Protection risk	2	4	Treat	See Data Protection Policy	HT	
		Human Rights risk	1	3	Treat	See Equality Policy	HT	
		Equal opportunities risk	1	4	Treat	See Equality Policy	HT	
		Contract risk	1	3	Transfer	Review standard terms	EX / HT	
	<b>Pension risk</b>	Risk that legislative requirements are not known or complied with	2	3	Transfer	Auditors annual review	SFO	
	<b>Health and safety risk</b>	Risk that legislative requirements are not known or complied with	2	3	Transfer	See Health & Safety Policy	HT / SFO	

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	Person(s) responsible for action	Date of next review
<b>C3. Environmental legislation</b>	<b>UK legislation</b>	Risk that legislative requirements are not known or complied with	2	3	Treat	Research and consider all relevant legislation	HT / SFO	
	<b>EU legislation</b>	Risk that legislative requirements are not known or complied with	2	3	Treat	Research and consider all relevant legislation	HT / SFO	
<b>C4. Financial reporting risk</b>	<b>Statutory accounts risk</b>	Risk that legislative requirements are not known or complied with	1	4	Treat / Transfer	Ensure finance staff are trained. Auditor to ensure compliance	SFO	
	<b>Accounting standards risk</b>	Risk that legislative requirements are not known or complied with	2	4	Treat / Transfer	Ensure finance staff are trained. Auditor to ensure compliance	SFO	
<b>C5. Academies legislation risk</b>	<b>ESFA Handbook risk</b>	Risk that legislative requirements are not known or complied with	1	4	Treat	Ensure finance staff are trained. Auditor to ensure compliance	SFO	
<b>C6. Tax legislation risk</b>	<b>VAT / PAYE / NI risk</b>	Risk that legislative requirements are not known or complied with	2	3	Treat	Auditors to ensure compliance. Payroll outsourced to 'Moorepay'.	SFO	

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	Person(s) responsible for action	Date of next review
<b>C7. Welfare compliance risk</b>	<b>Disability risk</b>	Risk that legislative requirements are not known or complied with	1	3	Treat	See Equality Policy	HT	
	<b>Child Protection risk</b>	Risk that legislative requirements are not known or complied with	1	3	Treat	Apply Safeguarding Policy	HT	
<b>C8. Sector compliance risk</b>	<b>Curriculum compliance</b>	Risk that legislative requirements are not known or complied with	1	2	Treat	Apply Curriculum Policy	HT	
	<b>Mental health compliance</b>	Risk that legislative requirements are not known or complied with	1	2	Treat	Refer to Southwark Council HR	HT	
<b>C9. Local Authority and Central Government risk</b>	<b>Grant criteria risk</b>	Grant terms and conditions are not complied with	1	2	Tolerate	Not a practical risk at present	SFO	
	<b>Licensing risk</b>	Risk that legislative requirements are not known or complied with	1	2	Treat	Apply ICT policy and copyright procedures. Ensure lettings comply with regulations	HT / SFO	

## 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	Person(s) responsible for action	Date of next review
<b>D1. Overall financial control risk</b>	<b>Budget risk</b>	Risk that the budget cannot be prepared in accordance with the DfE timetable	1	2	Treat	Apply Finance Policy	SFO	
		Risk that budget will be in deficit	3	4	Treat	Careful planning of resources	HT / SFO	
		Risk that actual performance is not measured against budget on a regular basis	1	4	Treat	Termly meeting of the Operations Committee	OC / HT / SFO	
		Risk that budget headings are manipulated to ensure targets are met	1	4	Treat	Budget is prepared in consultation with the Headteacher	HT / SFO	
	<b>Reconciliation risk</b>	Risk that bank reconciliations are not completed are reviewed	1	3	Treat / Transfer	Apply monthly end procedures. Auditors to cover	SFO	



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	Person(s) responsible for action	Date of next review
<b>D1. Overall financial control risk</b>	<b>Reconciliation risk</b>	Risk that suspense accounts are not cleared or reconciled	1	2	Treat / Transfer	Apply monthly end procedures. Auditors to cover	SFO	
	<b>Consolidation risk</b>	Risk that results of subsidiaries are not consolidated with results of parent academy	1	1	Tolerate	Not a practical risk at present	SFO	
<b>D2. Financial systems risk</b>	<b>Systems suitability risk</b>	Risk that financial system is not suitable for the academy's needs	1	3	Treat	New system obtained for the academy as from Sep 20	SFO	
	<b>Maintenance risk</b>	Risk that financial system will not be maintained by provider in long term	1	4	Tolerate	Not possible to prevent but keep under review	SFO	
	<b>Disaster risk</b>	Risk that financial information cannot be recovered in the event of a disaster (e.g. fire)	1	4	Treat	See ICT Policy	SFO / IT Network Mgt	
	<b>Access risk</b>	Risk of unauthorised access to financial systems	2	4	Treat	See ICT Policy	SFO / IT Network Mgt	

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	Person(s) responsible for action	Date of next review
<b>D3. Income risk</b>	<b>ESFA</b>	ESFA change their guidelines and funding without notice	1	4	Tolerate	Ensure that we are aware of changes in the pipeline and undertake scenario planning	HT / SFO	
	<b>Completeness risk</b>	Invoices not raised for all transactions	2	3	Treat	Apply Finance Policy	SFO	
		Donations in kind or intangibles are not recorded or recognised in the financial statements	2	2	Treat	Apply Finance Policy	SFO	
	<b>Restricted income risk</b>	Income is not identified as restricted on receipt	1	1	Teat	Apply Finance Policy	SFO	
		Restricted income is used for purposes other than restriction	2	2	Teat	Apply Finance Policy	SFO	
		Restricted funds are transferred to unrestricted funds without consent of donor	3	1	Treat / Transfer	Apply Finance Policy	SFO	

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	Person(s) responsible for action	Date of next review
<b>D3. Income risk</b>	<b>Sponsorship Funding risk</b>	Sponsorship targets are not met	1	1	Tolerate	Not a practical risk at present	SFO	
		Sponsorship promised by individual partners is not delivered	1	1	Tolerate	Not a practical risk at present	SFO	
	<b>Cut off risk</b>	Risk that income is accounted for in the wrong accounting period	2	2	Treat	Apply Finance Policy	SFO	
	<b>Fraud risk</b>	Risk that donations are misappropriated	1	4	Treat	Apply Finance Policy	SFO	
<b>D4. Expenditure risk</b>	<b>Authorisation risk</b>	Risk that expenditure is not authorised	1	2	Treat	Apply Finance Policy	SFO	
	<b>Allocation risk</b>	Risk that expenditure is allocated between inappropriate headings	1	2	Treat	Apply Finance Policy. Auditors to advise	SFO	
	<b>Price risk</b>	Risk that discounts are not secured or price reductions obtained on purchases or services	2	2	Treat	Apply best value principals to all decisions	SFO	

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	Person(s) responsible for action	Date of next review
<b>D4. Expenditure risk</b>	<b>Cut off risk</b>	Risk that expenditure is accounted for in the wrong accounting period	2	2	Treat	Apply Finance Policy Auditor to ensure compliance	SFO	
	<b>False risk</b>	False invoice / payment risk	2	2	Treat	Apply proper authorisation checks. Payments signed by two signatories	SFO	
<b>D5. Treasury risk</b>	<b>Cash flow risk</b>	Risk that cash flow requirements are not forecast	2	2	Treat	Apply Finance Policy	SFO	
		Risk that cash is all tied up in investments and insufficient is readily available to meet short term cash flows needs	1	1	Tolerate	Not a practical risk at present	SFO	
<b>D6. Fixed asset risk</b>	<b>Capital construction risk</b>	Risk that assets built by constructors do meet specifications, or actual cost exceeds budget	1	1	Tolerate	Not a practical risk at present	EX / HT	

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	Person(s) responsible for action	Date of next review
<b>D6. Fixed asset risk</b>	<b>Asset recognition risk</b>	Risk that assets are not capitalised	1	1	Tolerate	Not a practical risk at present	SFO	
		Risk that depreciation rate is not appropriate	2	3	Treat	Apply Finance Policy	SFO	
	<b>Fraud risk</b>	Risk that assets are misappropriated	2	2	Treat	Apply Finance Policy	SFO	
<b>D7. Investment risk</b>	<b>Return risk</b>	Risk that the return on investments is not being maximised	1	1	Tolerate	Not a practical risk at present	BT	
	<b>Fraud risk</b>	Risk that Trustees are not acting in accordance with their investment policy / powers	1	1	Tolerate	Not a practical risk at present	BT	
<b>D8. Stock risk</b>	<b>Stock risk</b>	Risk that stock is misappropriated	2	2	Treat	Apply Finance Policy	SFO	
<b>D9. Debtors risk</b>	<b>Recoverability risk</b>	Risk that debts are not recovered	2	2	Treat	Auditors to advise	SFO	
		Risk that provision for doubtful debts is overstated / understated	1	1	Tolerate	Not a significant risk at present	SFO	

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	Person(s) responsible for action	Date of next review
<b>D9. Debtors risk</b>	<b>Completeness risk</b>	Risk that debtors record is not complete	1	1	Tolerate	Not a significant risk at present	SFO	
	<b>Cut off risk</b>	Risk that debtors are accounted for in the wrong accounting period	2	2	Treat	Apply Finance Policy Auditor to ensure compliance	SFO	
	<b>Cash flow risk</b>	Risk that profile of aged debtors deteriorates which impacts on cash flow	1	1	Tolerate	Monthly review of aged debtors	HT / SFO	
<b>D10. Taxation risk</b>	<b>Non-academy trading risk</b>	Risk that the academy is liable to tax on non-academy trading activities	1	1	Tolerate	Not a significant risk at present	SFO	
	<b>Change in legislation risk</b>	Risk that academy is not aware of changes in legislation	2	3	Treat	Not a significant risk at present	SFO	
<b>D11. Provisions and contingent liability risk</b>	<b>Recognition risk</b>	Risk that academy is not recognising provisions or commitments in accordance with FRS 12	1	1	Transfer	Keep up to date with training. Auditors to advise	SFO	

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	Person(s) responsible for action	Date of next review
<b>D11. Provisions and contingent liability risk</b>	<b>Contractual commitments risk</b>	Risk that the academy has entered into future commitments without having the future funding available to meet them	1	1	Treat	Not a significant risk at present	EX / HT	
<b>D12. Related party risk</b>	<b>Identification risk</b>	Risk that related party transactions / transactions with connected persons are not identified	1	2	Tolerate	Apply Finance Policy	SFO	
		Risk that connected charities are not identified	1	1	Tolerate	Not a practical risk	SFO	
	<b>Disclosure risk</b>	Risk that related party transactions are not correctly or fully disclosed in the financial statements	1	1	Tolerate	Auditors to advise	SFO	

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	Person(s) responsible for action	Date of next review
<b>D13. Funds risk</b>	<b>Level of funds</b>	Risk that fund levels are too high / low	1	3	Treat	Proper budget management	SFO	
		Risk that unrestricted funds are in deficit and restricted funds are in surplus	2	3	Treat	Proper budget management	SFO	
	<b>Endowment risk</b>	Risk that capital in permanent endowment funds is not maintained	1	1	Tolerate	None held.	HT / SFO	
<b>D14. Pension risk</b>	<b>Funding risk</b>	Risk that scheme is in significant deficit	3	1	Tolerate	No practical action is available to the trust	HT / SFO	
	<b>Contribution risk</b>	Risk that employers' contribution rate increases	3	3	Tolerate	Ensure that we are aware of changes in the pipeline and undertake scenario planning	HT / SFO	
		Risk that the academy is not making the correct contributions	2	2	Transfer	Actuarial valuation check Auditor to ensure compliance	SFO	