

Herefordshire Marches Federation of Academies  
Risk Register V3 2014



1. Strategic and Reputational Risks							
Category	Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, tolerate, treat, or terminate)	Control procedures and target date	Person(s) responsible for action
<b>1 Strategic risk</b>	<b>Charitable objects risk</b>	Charity is not operating within its objects	1	2	Tolerate	Head teacher annual review of activities and strategic plan against objects. Regular reports to Trustees by Head teacher/Leadership Team	Trustees/ Head teacher/ Leadership Team
		Charity's objects become out of date / are no longer appropriate	1	2	Tolerate	Trustees and Head teacher review strategy and management accounts for direct charitable expenditure annually. Trustees and Head teacher review objects of the charity annually	Head teacher/ Leadership Team Finance Director/ Trustees
		Charity receives unfavourable Ofsted report	2	5	Treat	Monitoring teaching & learning to Ofsted specifications-fully in place with termly check points	Trustees/ Head teacher/ Leadership Team
	<b>Charitable status risk</b>	Risk that charity could lose its charitable status	1	3	Tolerate	Trustees and Head teacher review objects of the charity annually	Trustees/ Head teacher/ Leadership Team
	<b>Long term demand risk</b>	Insufficient demand for charity's services leaves it unsustainable	1	4	Tolerate	Development plan and nursery links, recruitment targets, Open days,	Head teacher / Leadership Team
	<b>Competition risk</b>	Presence of other organisations with similar objects and little scope for differentiation (pupils)	2	4	Treat	Open evenings annually	Head teacher/ Leadership Team
		Other organisations competing for the same sources of income (non-pupils)	2	1	Treat	Lettings policy/charges review	Finance Director Company Secretary
	<b>Stakeholder risk</b>	Beneficiaries/other stakeholders don't consider that charity provides a valuable/high quality service	2	3	Tolerate	Open Evenings etc provide feedback to staff. Reported to Trustees. Stakeholder feedback – questionnaires etc.	Trustees/ Head teacher/ Leadership Team
	<b>Investment powers risk</b>	Risk of Trustees not acting in accordance with their investment powers	1	5	Treat	Control procedure is as set out in Investment Policy within HMFA Finance Policy. Bank mandate limited signatory limits. Currently no investments	Head teacher/ Finance Director/ Trustees
	<b>Insurance risk</b>	Risk of financial loss/inability to replace items if charity does not have adequate insurance cover	1	3	Treat	Comprehensive insurance cover held for the current year. Cover reviewed annually with Insurance Broker and Trustees.	Head teacher/ Company Secretary/ Trustees

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<b>1 Strategic risk (ctd)</b>	<b>Macro economic risk</b>	Risk of the impact an uncontrollable event will have on the charity e.g. recession, war, oil crisis	1	5	Tolerate	Alternative accommodation in an uncontrollable event would be arranged through insurers. Further accommodation would be provided through portable classrooms as per disaster recovery plan.	Head teacher/ Finance Director/ Assets Manager/ Trustees
	<b>Natural disaster risk</b>	Risk of the impact an uncontrollable event will have on the charity e.g. fire, flood	2	5	Treat	There is fire detection and fighting equipment. Alarm tested at 3 monthly intervals, equipment tested annually.  Alternative accommodation in an uncontrollable event would be arranged through insurers. Further accommodation would be provided through portable classrooms as per disaster recovery plan.	Head teacher/ Finance Director/ Assets Manager/ Trustees
	<b>Technology risk</b>	Information security risk	1	3	Tolerate	ICT Policy, Firewalls, Sonicwall and website security for students and staff. Backup server located in separate building connected by fibre-optic link. Snapshot backup technology & tape backups daily.	Head teacher / Network Manager / ICT Co-ordinator
		Virus risk/corruption of data risk	1	4	Tolerate	McAfee Enterprise anti-virus/anti-spyware software in place	Head teacher / Network Manager / ICT Co-ordinator
		IT systems out of date / no longer supported	3	3	Treat	New Server with 5yr warranty. All core workstations under manufacturer's warranty. Annual support agreement in place. Rolling programme of hardware replacement.	Head teacher / Network Manager / Finance Director

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<b>2 Public profile risk</b>	<b>Charitable objects risk</b>	Charity not seen by public to be meeting its objects	1	2	Tolerate	Head teacher and Leadership Team annual review of activities and strategic plan against objects. Regular reports to Trustees by Head teacher/ Leadership Team	Trustees/ Head teacher/ Leadership Team
		Objects of the charity are controversial or may attract a high level of public interest	1	2	Tolerate	Trustees and Head teacher review strategy and management accounts for direct charitable expenditure annually	Trustees/ Head teacher/ Finance Director
	<b>Trustee profile risk</b>	Trustees have a high public profile and may cause the charity to attract publicity	3	2	Tolerate	Selection procedure for new Trustees	Trustees/ Company Secretary Clerk to Governors
		Trustees are seen by the public to be paid a high amount for expenses	1	1	Tolerate	No expenses have been paid to Trustees to date.	Trustees/ Finance Director / Company Secretary
		Trustees are not considered to be arms length from charity	3	2	Tolerate	Ensure transparency of disclosure in accounts and Annual Report regarding Trustees/ Maintain register of Trustees interests Trustee approval of accounts/Annual Report. Audit.	Trustees/ Head teacher / Finance Director/ Company Secretary
	<b>Expenditure risk</b>	Management and administration costs are perceived by the public to be high	3	2	Tolerate	Value for Money Statement Salary review process in place by Pay Review Committee	Head teacher, Finance Director, Trustees
		Senior management of the charity are seen by the public to be paid high salaries	3	2	Tolerate	Value for Money Statement Salary review process in place by Pay Review Committee	Head teacher, Finance Director, Trustees
		Reserves level risk - Charity seen to be holding reserves and not spending enough on its charitable objects	3	2	Tolerate	Finance Committee & Board of Directors review reserves amount termly. See Finance Summary reports	Head teacher, Finance Director, Trustees
	<b>Quality of service/ product risk</b>	Charity provides a poor quality service to its beneficiaries/ customers	1	2	Tolerate	Feedback sought from users of site/academy. Website encourages feedback from staff, students, parents and community users. Termly feedback to Trustees.	Head teacher / Office Manager / Trustees
	<b>Fraud risk</b>	Fraud discovered at the Charity attracts bad publicity	2	2	Treat	Internal Controls are in place. Employment of experienced Internal Auditor. Statement of Internal Control reviewed annually after feedback from auditors.	Head teacher / Finance Director/ Trustees

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	<b>Failure to comply with legislation risk</b>	Failure to comply with Health and Safety legislation results in an employee/volunteer/ beneficiary of the Charity being injured at work, attracting bad publicity	3	3	Treat	See controls & possible actions under Health and Safety Policy. Appointment of Asset Manager with considerable H&S experience	Head teacher/ Office Manager/ Assets Manager
		Failure to comply with employment law- e.g. unfair dismissal of an employee - attracts adverse publicity	2	2	Tolerate	Use solicitors where required. Outsourced Payroll , Occupational Health and HR Services.	Head teacher/ Office Manager
	<b>Litigation risk</b>	Charity is involved in litigation	2	2	Tolerate	Authorisation of legal action by Trustees. Litigation insurance cover is comprehensive.	Head teacher / Finance Director/ Trustees
<b>3 Governing body organisation risk</b>	<b>Delegation risk</b>	Committees not established with delegated authority, e.g. finance, personnel etc.	1	2	Treat	Committees are in place and meet regularly & report their findings to Board of Directors. Finance / Audit / Pay Review Committees	Head teacher / Finance Director/ Trustees
		Committee terms of reference not consistent / adequate etc.	1	2	Treat	Terms of Reference revised annually	Head teacher/BOD/ Finance Director
		Committee terms of reference not sufficiently flexible	1	2	Treat	Terms of Reference revised annually	Head teacher/BOD/ Finance Director
		Trustees delegate too little / too much to the Head teacher and/or Business Manager	3	2	Treat	Trustees are encouraged to take an active interest in the school & to regularly challenge any issues.	Head teacher/BOD/ Finance Director
	<b>Head teacher/BM absence risk</b>	Trustees do not ensure rigorous monitoring is undertaken in the absence of the Head teacher and/or Business Manager?	1	2	Treat	Headteacher absence would be covered by 1 of the 2 currently in post. Instances of Finance Office roles & School Business Manager/Company Secretary can refer to List of duties to assist & monitor in the case of absences.	Head teacher/ Finance Director/ Trustees

## 2. Operational Risks

Category	Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, tolerate, treat, or terminate)	Control procedures and target date	Person(s) responsible for action
<b>1 Management information risk</b>	<b>Quality risk</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	3	Treat	SIMS 2012 – Regularly updated with details from termly contact sheets.  PSF - Regular review of finance by Internal Auditor. Annual audit of accounts.	Headteachers/ Finance Director/ Office Manager
	<b>Timeliness risk</b>	Risk that management information is not available quickly after the period to which it relates	3	3	Treat	SIMS & PSF kept up to date at all times.	Finance Director/ Office Manager
	<b>Review risk</b>	Risk that management information is not subject to review	2	2	Treat	SIMS – Regular reviews requested by Leadership Team. PSF - Regular review by Internal Auditor. Annual audit of accounts.	Leadership Team/ Office Manager / Finance Director Headteachers
		Risk that action is not taken after the review of management information	3	2	Treat	SIMS – Missing data highlighted on termly census. PSF - Regular review by Internal Auditor. Annual audit of accounts.	Leadership Team/ Office Manager / Finance Director Headteachers
	<b>Quantity risk</b>	Risk that too little management information is produced to facilitate informed decision making	2	2	Treat	SIMS & PSF databases facilitate complex reporting	Headteachers/ Finance Director/ Office Manager

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<b>2 Human resources risk</b>	<b>Trustee risk</b>	Insufficient experience of charity/education sector	1	3	Tolerate	Trustee recruitment procedures/training. Good experience in both charity and education among Trustees.	Trustees/Head teacher
		Trustees without req'd expertise	1	3	Tolerate	Trustee recruitment procedures/training. Good experience is both charity and education among Trustees.	Trustees/Head teacher
		Lack of availability/poor attendance at meetings	2	3	Treat	Trustee recruitment procedures/training and sufficient number of Trustees to provide a quorum	Trustees/Head teacher
		Entrepreneurial risk - risk that trustees are too entrepreneurial. Risk that activities of the charity could be outside its objects.	2	3	Tolerate	Review and agree recruitment and appointment process. Draw up competence framework. Delegation and monitoring should be consistent as defined in Articles. All directors issued with Code of Conduct. Implement trustee training and induction.	Trustees/Head teacher
		Trustees become too involved with management of the charity and are not independent from management	2	3	Tolerate	Trustee recruitment process. Implement trustee training and induction. Ensure terms of reference for directors committees demonstrate a clear understanding of roles and responsibilities. Delegation and monitoring should be consistent.	Trustees/Head teacher
		Trustees do not act solely in the interests of the charity but for their business/other interests etc.	3	3	Treat	Trustee recruitment procedures/training and declaration of interests Register of interests reviewed at each meeting. Implement procedures for 'standing down' on certain decisions. All directors issued with Code of Conduct.	Trustees/Head teacher
		No member with responsibility for financial oversight is appointed	1	3	Treat	Finance Committee attended by directors with financial backgrounds. Internal Auditor role undertaken by an experienced ex-accountant.	Trustees/Head teacher
		Passive Trustees	1	3	Tolerate	Trustee recruitment procedures/training	Trustees/Head teacher

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	<b>Management risk</b>	Loss of leadership/Senior management capability / experience of charity sector risk	2	2	Tolerate	Training/recruitment procedures in place for all senior staff -use of Hoople HR provider with school experience. Good retention of senior management to ensure experienced members are on hand to help less experienced members.	Head teacher/ Leadership Team
		Integrity risk	2	2	Tolerate	Training/recruitment procedures. DBS checks	Head teacher / Office Manager
		Key person loss/succession risk	2	3	Treat	Structure to have team of Assistant Heads. Continued Training and succession planning.	Head teacher /Leadership Team
		Entrepreneurial risk - risk that management is too entrepreneurial. Risk that activities of the charity could be outside its objects.	3	2	Tolerate	See "1 Strategic Risks, Charitable Objects Risks" Company operates within Charitable framework Professional advice is sought for any uncertain activities	Trustees/ Head teacher/ Leadership Team
<b>2 Human resources risk (ctd)</b>	<b>Staff risk</b>	Low morale risk	2	2	Treat	Regular staff briefings, programmed team meetings, scheduled CPD training	Head teacher /Leadership Team
		Retention risk	2	2	Treat	Staff performance management.	Head teachers
		Recruitment risk (risk of recruiting the wrong person)	2	2	Treat	Procedures for interviews and referral of candidates; reference and DBS checks.	Head teachers/ Office Manager/ Safeguarding Manager
		Recruitment risk (recruiting someone unsuitable to work with children)	2	2	Treat	DBS checks in place to ensure compliance/List 99 checks and overseas checks where applicable. Child Protection Training for all staff.	Office Manager/ Safeguarding Manager
		Appraisal /assessment risk	2	2	Treat	Annual assessment of staff performance management, target settings.	Head teachers
		Staff matters not referred to HR professionals, may lead to tribunals	2	2	Treat	HR Procedures and legal fees provision in place should advice be needed. HR SLA with Hoople Ltd. Legal SLA with Browne Jacobson.	Head teachers
		Training risk	2	2	Treat	Continued Staff Development. Regular CPD sessions, use of AST's for advice. Significant training budget.	Head teachers/ Leadership Team
		Technical capability risk	2	2	Treat	Training/recruitment procedures and continuing professional development budget, CPD sessions	Leadership Team

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	<b>Volunteer risk</b>	Excessive reliance on volunteers	1	1	Tolerate	Very limited use of volunteers.	Office Manager Safeguarding Manager
		Lack of control over volunteers	1	1	Tolerate	Very limited use of volunteers. Volunteers always work with paid staff.	
		Training risk	1	1	Tolerate	Very limited use of volunteers. Volunteers always work with paid staff. Very limited use of volunteers.	
		Risk that volunteers are not of appropriate quality/vetted/subject to police checks	1	1	Tolerate	Volunteers are subject to DBS checks. Induction of volunteers.	
<b>2 Human resources risk (ctd)</b>	<b>H &amp; S risk</b>	Staff fatality/injury	2	3	Treat	H&S policy in staff handbook. H&S training has been rolled out to premises staff. Staff H&S inductions held. Sufficient insurance guards against financial loss. Trustees briefed on H&S.	Assets Manager / Office Manager
		Fatality/injury to pupil/third party	3	3	Treat	H&S policy in staff handbook. H&S training has been rolled out to premises staff. Staff H&S inductions held. Sufficient insurance guards against financial loss. Risk assessments for high risk areas. Trustees briefed on H&S.	Assets Manager / Finance Director / Office Manager/ Company Secretary
		Other third party risk (contractors,visitors)	3	3	Treat	H&S policy in staff handbook. H&S training has been rolled out to premises staff Staff H&S inductions held. Sufficient insurance guards against financial loss. Risk assessments for high risk areas. Trustees briefed on H&S.	Assets Manager / Finance Director/ Office Manager/ Company Secretary



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<b>3 Income risk</b>	<b>Donor risk</b>	Charity completely reliant on DfE	1	1	Tolerate	Funding assured through funding agreement with DfE	Head teacher/ Finance Director
		Donor has a strong influence/power over charities activities	1	1	Tolerate	Funding assured through funding agreement with DfE	Head teacher/ Finance Director
	<b>Marketing risk</b>	Other charities competing for donations or similar sources of income – lettings/pupils	2	1	Treat	See 1.Strategic Risk, competition risk controls and actions.	Head teacher
	<b>Grants receivable risk</b>	Grants receivable not used for the purposes for which they were given	1	2	Tolerate	Documentation held and liaison with granting body maintained. Grant expectation monitored against grant income & specifications. Grants are kept separate within accounting system.	Finance Director Headteachers
Grant receivable reporting requirements are not adhered to		1	1	Tolerate	Annual audit. EFA Academies' Financial Handbook, checks by Internal Auditor	Finance Director Headteachers	

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<b>4 Supplier risk</b>	<b>Supplier selection risk</b>	Supplier financial viability	3	2	Treat	Background checks are not done on new suppliers. However suppliers are not paid in advance and are well known industry standard. Policies regarding purchases have been tightened.	Finance Director Headteachers
		Supplier inappropriate	2	1	Tolerate	Finance Manager monitors supplier samples/quality of service provided. Staff sign delivery notes/invoices to vouch the quality of goods. This is completed prior to payment.	Finance Director Headteachers
		Supplier connected with either trustees or staff	3	3	Tolerate	Declarations of interest for trustees and leadership team/ budget holders. Separate authorisation process in place for related party transactions which require signing by Chair/Vice Chair of Directors	Head teacher / Finance Director
		Delivery risk	2	3	Treat	Delivery procedures in place	Office Manager / Site Manager
	<b>Key supplier dependency risk</b>	Risk that supplies not available	2	1	Tolerate	Alternative suppliers mostly available. The Academy is not tied into long term contracts for supplies.  The Academy does not usually tie into long term contracts exceeding 12 months for supplies.	Finance Director Headteachers
		Risk of dependency on few suppliers	2	1	Tolerate	Not dependent solely on any one suppliers. Alternatives found via internet and recommendations from other schools/Academies.	Finance Director Headteachers
	<b>Value for money risk</b>	Purchase price risk	2	1	Treat	Purchasing policy and procedures are in place. Best Value Statement	Finance Director Headteachers
		Efficiency risk	2	1	Treat	Best Value Statement	Finance Director Headteachers

### 3. Compliance Risk

Category	Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, tolerate, treat, or terminate)	Control procedures and target date	Person(s) responsible for action
<b>1 Employee legislation risk</b>	<b>Employment laws risk</b>	Risk that legislative requirements are not known or complied with	2	1	Treat	HR SLA provides updated information	Headteacher / Office Manager/ Policy Coordinator
		Discrimination risk	1	1	Treat	HR provider (Hoople) provides employment law advice. Equal Opps policy in place. Academy has Disability Equality Policy	Headteacher / Office Manager/ Policy Coordinator
		Data Protection risk	1	1	Treat	HR provider (Hoople) provides employment law advice. Data Protection Policy in place.	Headteacher / Office Manager/ Policy Coordinator
		Human Rights risk	1	1	Tolerate	HR provider (Hoople) provides employment law advice	Headteacher / Office Manager
		Equal opportunities risk	1	1	Tolerate	HR provider (Hoople) provides employment law advice. Equal Opps policy in place. Academy has Disability Equality Policy	Headteacher / Office Manager/ Policy Coordinator
		Contract risk	1	1	Tolerate	HR provider (Hoople) provides employment law advice	Headteacher/ Office Manager
	<b>Pension risk</b>	Risk that legislative requirements are not known or complied with	2	2	Treat	HR provider (Hoople) provides employment law advice. Teachers' Pension and Local Government Pension scheme are well established bodies.	Headteacher Finance Director Company Secretary
<b>Health &amp; safety risk</b>	Risk that legislative requirements are not known or complied with	2	4	Treat	Specialist H&S support resourced from Hoople and employment of Asset Manager with NEBOSH & other H&S qualifications.	Assets Manager	
<b>2 Environmental legislation</b>	<b>UK Legislation</b>	Risk that legislative requirements are not known or complied with	2	2	Treat	Source external support	Head teacher
	<b>EU Legislation</b>	Risk that legislative requirements are not known or complied with	2	2	Treat	Source external support	Head teacher
<b>3 Financial reporting risk</b>	<b>Statutory accounts risk</b>	Risk that legislative requirements are not known or complied with	2	2	Tolerate	The service provided by our Auditors includes regular updates & advice on legislative requirements.	Head teacher / Finance Director
	<b>Accounting standards risk</b>	Risk that legislative requirements are not known or complied with	2	2	Tolerate	The service provided by our Auditors includes regular updates & advice on legislative requirements.	Head teacher / Finance Director

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<b>3 Financial reporting risk (ctd)</b>	<b>SORP compliance risk</b>	Risk that legislative requirements are not known or complied with	2	2	Tolerate	The service provided by our Auditors includes regular updates & advice on legislative requirements.	Head teacher / Finance Director
<b>4 Charities legislation risk</b>		Risk that legislative requirements are not known or complied with	2	2	Tolerate	Professional/Legal advisors would provide updates	Head teacher / Company Secretary
		Risk trustees are not aware of the legislative duties and responsibilities of being a Charitable Trustee	2	2	Tolerate	Responsibilities are outlined to trustees within the following documents: <ul style="list-style-type: none"> <li>Code of Practice for Board Members of HMFA as a Public Body</li> <li>Statement of Trustees Responsibilities.</li> </ul>	Headteacher Company secretary
<b>5 Tax legislation risk</b>	<b>VAT/PAYE/NI risk</b>	Risk that legislative requirements are not known or complied with	2	2	Tolerate	Specialist PAYE/NI support provided within Hoople SLA. Advice & Support from Accountants on VAT.	Finance Director
<b>6 Data Protection Act risk</b>		Risk that legislative requirements are not known or complied with	2	2	Tolerate	Federation Data Protection policy reviewed annually.	Head teacher / Office Manager
<b>7 Welfare compliance risk</b>	<b>Disability risk</b>	Risk that legislative requirements are not known or complied with	3	2	Treat	Accessibility Plan. Disability equality scheme in place  Personal Emergency Evacuation Plan in place for the disabled.	Assets Manager
	<b>Child Protection Act risk</b>	Risk that legislative requirements are not known or complied with	2	4	Treat	Full Staff training for aspects of CP. CP policy in place.	Safeguarding Manager
<b>8 Sector compliance risk</b>	<b>National curriculum compliance</b>	Risk that legislative requirements are not known or complied with	2	2	Tolerate	Attendance returns and timetable known. Teaching and Learning checkpoints termly.	Assistant Heads
	<b>Mental Health compliance risk</b>	Risk that legislative requirements are not known or complied with	3	2	Treat	Staff: Advice from HR Services (Hoople)  Pupils: Links with CAMS & Social Services & Child Development Centre.	Head teacher Staff and Pupil Safeguarding Manager
<b>9 Central Government risk</b>	<b>Grant criteria risk</b>	Grant terms and conditions are not complied with	1	2	Tolerate	Documentation held and liaison with granting body maintained. Grant expectation monitored against grant income & specifications. Grants are kept separate within accounting system.	Finance Director Headteachers Asset Manager
	<b>Licensing risk</b>	Risk that legislative requirements are not known or complied with	2	2	Tolerate	Solicitors support	Head teacher

#### 4. Financial Risks

Category	Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, tolerate, treat, or terminate)	Control procedures and target date	Person(s) responsible for action
<b>1 Overall financial control risk</b>	<b>Budget risk</b>	Risk that budget cannot be prepared in accordance with DSCF timetable	1	2	Treat	Templates for budget and work instructions in case of absence. Finance Assistant.	Finance Director
		Risk that budget will be in deficit	1	1	Treat	Budget must be approved by Head teacher & Trustees without deficit and sent to DfE	Headteacher/ Finance Director
		Risk that actual performance is not measured against budget on a regular basis	1	1	Treat	Cost-centre reports show actual v budgets and are checked regularly. Regular reports to budget holders. Budgets imported onto the system & monitored daily.	Headteacher/ Finance Director/
		Risk that budget headings are manipulated to ensure targets are met	1	1	Treat	Virements are not typically made unless for corrections. Changes in budgets are reported to trustees.  Budget imported on PSF.	Finance Director Headteachers
	<b>Reconciliation risk</b>	Risk that bank reconciliations / other key reconciliations are not completed and reviewed	2	3	Treat/Tolerate	Bank and other balance sheet recs produced monthly and counter-signed. Month-end timetable to ensure prompt reporting.	Finance Director / IA
		Risk that suspense accounts are not cleared or reconciled	1	1	Tolerate	Suspense accounts generally not used.	Finance Director
	<b>Consolidation risk</b>	Risk that results of subsidiaries/associates are not consolidated with results of parent charity	1	1	Tolerate	Currently, there are no associates or subsidiaries to include.	Finance Director Headteachers

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<b>2 Financial systems risk</b>	<b>Systems suitability risk</b>	Risk that financial system is not suitable for charity's needs	3	3	Treat	New financial system (PSF) installed Nov 2012 designed for charity use and specifically for Multi- Academy Trusts.	Finance Director
	<b>Maintenance risk</b>	Risk that financial system will not be maintained by provider in long term	1	1	Tolerate	The current system has a support agreement which is being used.	Finance Director
	<b>Disaster risk</b>	Risk that financial information cannot be recovered in the event of a disaster (e.g. fire, theft, vandalism)	1	4	Tolerate	Server back-up is taken daily and stored on tape and on virtual server. Back-up server located away from main school building.	ICT Co. / Finance Director
	<b>Access risk</b>	Risk of unauthorised access to financial systems	2	3	Tolerate	Finance System access limited and password protected.	IT Support/ Finance Director
<b>3 Income risk</b>	<b>Completeness risk</b>	Invoices not raised for all transactions	2	3	Treat	Income is regularly checked for variances against predicted budget to actuals. Lettings charged monthly & separate records kept. Services brokered out – set up as annual SLA's	Finance Director Headteachers
		Donations in kind or intangibles are not recorded or recognised in the financial statements	2	1	Treat	Register of gifts held by Finance. Policy on website	Finance Director/ Company Secretary
	<b>Restricted income risk</b>	Income is not identified as restricted on receipt	1	1	Tolerate	PSF allows income to be coded by funding stream.	Finance Director
		Restricted income is used for purposes other than restriction	1	1	Tolerate	Checks by Finance staff and Internal Auditor. Also checked at annual audit.	Finance Director/ Headteachers
		Restricted funds are transferred to unrestricted funds without consent of donor	1	1	Tolerate	Annual audit. Funds types are clearly differentiated in the accounts.	Headteacher/ Finance Director

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	<b>Cut off risk</b>	Risk that income is accounted for in the wrong accounting period	3	1	Treat	Training and Y/E procedures. Cut off procedures in place.	Finance Director
	<b>Fraud risk</b>	Risk that donations are misappropriated	1	1	Tolerate	Cash handling procedures in place. Review by Internal Auditor and Auditors Segregation of duties.	Finance Director/ Headteachers
<b>4 Expenditure risk</b>	<b>Authorisation risk</b>	Risk that expenditure is not authorised	2	2	Treat	Strict internal control procedures. Signing limits in place. Countersignature on expenditure	Headteacher/ Finance Director
	<b>Allocation risk</b>	Risk that expenditure is allocated between SOFA headings using inappropriate basis	2	1	Treat	System matches headings properly.	Finance Director
	<b>Price risk</b>	Risk that discounts are not secured or price reductions obtained on purchases or services	2	1	Tolerate	Delegated budgets mean motivation for budget holders to seek better deals. Tendering process for larger orders.	Finance Director/ Headteachers
	<b>Cut off risk</b>	Risk that expenditure is accounted for in the wrong accounting period	3	1	Treat	Training and Y/E procedures produced. Accounts reviewed with FD & FA.	Finance Director
	<b>Fraud Risk</b>	False invoice/payment risk	2	2	Tolerate	Authorisation of invoice required to confirm goods received and satisfactory. Two cheque signatories required. Separation of duties in finance.  Internal Control Procedures.	Finance Director/ Headteachers
<b>5 Treasury risk</b>	<b>Cash flow risk</b>	Risk that cash flow requirements are not forecast	2	3	Treat	Monitor of monthly control account reconciliations. Monitor of bank balance, looking ahead at forward commitments.	Finance Director/ Headteachers
		Risk that cash is all tied up in investments and insufficient is readily available to meet short term cash flow needs	1	2	Treat	Cash not held in investment funds, Cash is accessible.	Finance Director/ Headteachers

Category	Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, tolerate, treat, or terminate)	Control procedures and target date	Person(s) responsible for action
6 Fixed asset risk	Capital construction risk	Risk that assets built by contractors do not meet specifications, or actual cost exceeds budget	2	3	Tolerate	Contractors overseen by Asset Manager and/or Site Manager and/or Colin Birks (Academy Surveyor)	Assets Manager/ Finance Director/
	Asset recognition risk	Risk that assets are not capitalised	2	2	Tolerate	Asset register maintained and linked to Asset figure on the balance sheet. Fixed asset section within Finance Policy. Annual audit.	Finance Director
		Risk that depreciation rate is not appropriate	2	2	Tolerate	Policies will be discussed with Auditors & other academies. Perform annual review of assets remaining useful economic lives and review of depreciation policy.	Finance Director
6 Fixed asset risk (ctd)	Fraud risk	Risk that assets are misappropriated	3	3	Tolerate	Perform physical checks on existence of assets at least annually. Ensure all assets are entered onto Fixed Asset register and/or Stock book with details of location . Internal audit review of adequacy of control procedures. Alarms, CCTV, and site security in place.	Finance Director / Office Manager / ICT Co. / Assets Manager
7 Investment risk	Return risk	Risk that the return on investments is not being maximised	1	2	Tolerate	No investments at present	Finance Director/ Headteachers
		Risk that trustees are not acting in accordance with their investment policy/powers (e.g. investing in high risk investments which are not in best interests of the charity)	1	2	Tolerate	No investments at present	Finance Director/ Headteachers
8 Stock risk	Fraud risk	Risk that stock is misappropriated	3	1	Tolerate	Perform regular stock counts and spot checks on actual levels of stock held. Very limited stock.	Finance Director / Office Manager



Category	Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, tolerate, treat, or terminate)	Control procedures and target date	Person(s) responsible for action
9 Debtors risk	Recoverability risk	Risk that debts are not recovered	3	1	Tolerate	All debts are identified by monthly reports & pursued by the Finance department. Directors must approve write-off of bad debts.	Finance Director / Headteachers
		Risk that provision for doubtful debts is overstated/understated	1	1	Tolerate	Minimum monthly review of debtors and cash collections.	Finance Director / Headteachers
	Completeness risk	Risk that debtors record is not complete	3	2	Treat	Procedures will establish flow of communication so that debtor invoices are generated. Consideration of SLA's for services brokered out.	Finance Director / Office Manager / Assets Manager / Headteachers
	Cut off risk	Risk that debtors are accounted for in the wrong accounting period	2	2	Tolerate	Review cut off procedures around the year end to ensure they are being followed. Invoices to record period of charge. Brief Finance Staff on posting income per detail shown on invoices.	Finance Director
	Cash flow risk	Risk that profile of aged debtors deteriorates which impacts on cash flow position	3	1	Tolerate	Perform monthly review of aged debtor profile against prior years and budget. Procedures for chasing debts and payment periods.	Finance Director / Headteachers

Category	Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, tolerate, treat, or terminate)	Control procedures and target date	Person(s) responsible for action
10 Taxation risk	Non-charitable trading risk	Risk that charity is liable to tax on non-charitable trading activities	1	2	Tolerate	All activities are within Charitable status – see Section 1.	Finance Director / Headteachers
	Change in legislation risk	Risk that charity is not aware of changes in legislation	2	2	Tolerate	Training of Finance Director/Company secretary. Use of external professional advisors.	Finance Director / Headteachers/ Company Secretary
11 Provisions and contingent liability risk	Recognition risk	Risk that charity is not recognising provisions or commitments in accordance with FRS 12	2	2	Tolerate	Consider provisions at balance sheet date. Potential liabilities should be reported immediately (i.e. a possible damages claim) Report liabilities to Trustees Annual audit	Headteacher/ Leadership Team/ Finance Director
	Contractual commitments risk	Risk that charity has entered into future commitments without having the future funding available to meet them	1	1	Tolerate	Three year forecasts and projections. Trustees approve level of commitments and authorise any material future commitments	Headteacher / Finance Director
12 Related party risk	Identification risk	Risk that related party transactions/ transactions with connected persons are not identified	3	3	Tolerate	Register of declarations of interest of Board of Directors. Trustees asked to complete declarations annually. Trustees review the results of this annually.	Company Secretary
		Risk that connected charities are not identified	1	1	Tolerate	Annual review of relationship with any other charities. Report results to Trustees.	Headteacher
	Disclosure risk	Risk that related party transactions are not correctly or fully disclosed in the financial statements	2	1	Tolerate	Annual review of disclosures against the requirements of FRS 8 and SORP. Report results to Trustees Annual audit.	Finance Director/ Headteachers

Category	Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, tolerate, treat, or terminate)	Control procedures and target date	Person(s) responsible for action
13 Funds risk	Level of funds	Risk that fund levels are too high/low	2	2	Tolerate	Annual review of funds as part of the annual accounts and audit. Results presented to Trustees.	Trustees/ Head teacher/ Finance Director
		Risk that unrestricted funds are in deficit and restricted funds are in surplus	2	2	Tolerate	Annual review of funds as part of the annual accounts and audit. Results presented to Trustees.	Trustees/ Head teacher/ Finance Director
	Endowment risk	Risk that capital in permanent endowment funds is not maintained	N/A	N/A	N/A	N/A-no endowment fund	N/A
14 Pension risk	Funding risk	Risk that scheme is in significant deficit	3	2	Tolerate	Review of actuarial reports and consult external specialists. Report results of actuarial reviews to Trustees. Teachers' Pension fund and Worcs CC LG Pension well established. FRS17.	Trustees/ Head teacher/ Finance Director
	Contribution risk	Risk that employers' contribution rate increases	3	2	Tolerate	Rates determined annually and budgeted for accordingly.	Finance Director/ Headteachers
		Risk that charity is not making the correct contributions	1	2	Tolerate	Use of Hoople Payroll Services	Finance Director