



Risk Management and Register

Date Reviewed: September 2024

Next Review: September 2025



The Willows School Academy Trust

RISK MANAGEMENT AND THE RISK REGISTER

1. RISK MANAGEMENT

1.1 The management of risks to the School and the fulfilment of the Vision Statement is undertaken in accordance with the Funding Agreement and the Academies Financial Handbook.

1.2 The Governing Body 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 Governing Body is advised in this role by the external Finance support utilised by the whole Governing body and both are advised and informed by the Senior Management Team.

1.3 The Governing Body fulfils its role by establishing the system of internal control:

1.3.1 Approving and reviewing a series of policies that underpin the internal control process;

1.3.2 Agreeing objectives, plans and resources by means of the budget and the annual *School Evaluation and Development Plans*;

1.3.3 Approving this policy statement and the attached Risk Register (prepared by the Governing Body and Management Team) and reviewing them carefully each year to identify risks, near misses and opportunities;

1.3.4 Considering carefully the advice from the Responsible Officer, Auditor and Trustees on internal financial controls, together with advice from any external consultants or inspectors.

1.4 The Senior Management Team fulfils its Risk Management role by:

1.4.1 implementing governors' policies on risk management and internal control;

We, the staff and governors, aspire to ensure that all our students, irrespective of ability and regardless of anyone's doubts, achieve their potential in full; and we aspire in this way to make The Willows School Academy Trust the best in the country.

1.4.2 advising the Governors of the fundamental risks faced by the school and helping to evaluate them;

1.4.3 providing timely and sufficient information to governors on the status of risks and controls;

1.4.4 assisting the Governors to draw up and revise the Risk Register;

1.4.5 working to embed risk management and risk-based internal control in all aspects of school management.

1.5 The Risk Register has been completed in the form recommended in the Academies Financial Handbook and it uses the terms listed there. It shall be revised annually by the Finance Support and Headteacher who will recommend it to the Governing Body.

1.6 In its annual consideration of the Risk Register the Governing Body should consider these issues:

1.6.1 Whether risk management continues to be linked to the achievement of the School's objectives;

1.6.2 The appropriate risk appetite or level of exposure for the School as a whole;

1.6.3 Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the School's objectives;

1.6.4 Whether risk assessment and risk-based internal control are embedded in on-going operations and form part of its culture;



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1.6.5 Changes in the nature and extent of fundamental risks and the School's ability to respond to changes in its internal and external environment since the last assessment; the scope and quality of management's on-going process of monitoring the system of internal control including such elements as the effectiveness of assurance functions;

1.6.6 The extent and frequency of reports on internal control to the Governing Body and whether this is sufficient for the Governing Body to build up a cumulative assessment of the state of control and effectiveness of risk management;

1.6.7 The incidence of any fundamental control failings (risk events) or weaknesses identified at any point within the year (near misses) and the impact that they have had or could have on financial results;

1.6.8 The effectiveness of the School's public reporting processes;

1.6.9 The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.

NOTE: Explanation of the Responses to Risk outlined in the Risk Register.

TRANSFER This may be done by conventional insurance or by paying a third party to take the risk in another way.

TOLERATE Exposure to risk may be tolerable without any further action. Alternatively, it may not be possible to do anything about the risk without a disproportionate cost.

TREAT This may not obviate the risk – it is more likely that the aim will be to contain it to an acceptable level.

TERMINATE This response is used when the only way to contain a risk to acceptable levels is to discontinue the activity that gives rise to the risk (*not possible if there is a legal duty to engage in the activity*).

ABBREVIATIONS USED IN THE RISK REGISTER:

SLT	=	Strategic Business Manager and Governance Support
AGM	=	Academy Trust Members' Annual General Meeting.
GB	=	Governing Body and/or Trustees
RO	=	Responsible Officer



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2. THE RISK REGISTER

Risk Register - 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	Date of next review
1 Strategic risk	Charitable objects risk	Charity is not operating within its objects	1	3	Treat	SMT & GB reviews	GB	Sept 2025
		Charity's objects become out of date / are no longer appropriate	1	1	Tolerate	Members keep under review	AGM	Dec 2024
		Charity receives unfavourable Ofsted report	2	4	Treat	Regular review of School Evaluations and HT targets	GB /SMT	Dec 2024
	Charitable status risk	Risk that charity could lose its charitable status	1	4	Tolerate	SMT and HT reviews	GB	Jan 2025
	Long term demand risk	Insufficient demand for charity's services leaves it unsustainable	1	5	Treat	Regular discussion item in SMT and GB. SLT to monitor birth rates / planned intake and pupil numbers.	HT / SLT / GB	Dec 2023
	Competition risk	Presence of other organisations with similar objects and little scope for differentiation	5	5	Treat	Regular discussion item in SMT and GB to identify ways of improving further. Attainment focus.	HT/GB	Feb 2025
		Other organisations competing for the same sources of income	5	5	Treat	Regular discussion item in SMT and GB to identify ways of improving further. Attainment focus.	HT /GB	Feb 2025
	Stakeholder risk	Beneficiaries/other stakeholders don't consider that charity provides a valuable/high quality service	5	5	Treat	Regular discussion item in SMT and GB to identify ways of improving further. Attainment focus.	HT /GB	Feb 2025
	Alliance / partnership risk	Appropriateness of alliance	1	1	Tolerate	Not a practical risk at present	n/a	Jan 2025
		Integrity of partner risk	1	1	Tolerate	Not a practical risk at present	n/a	Dec 2024



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Risk Register - Strategic and Reputational Risks Cont'd

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	Date of next review	
	Investment powers risk	Risk of Trustees not acting in accordance with their investment powers	2	2	Treat	Financial procedures followed and reviewed	Headteacher	Jan 2025	
1 Strategic risk (continued)	Insurance risk	Risk of financial loss/inability to replace items if charity does not have adequate insurance cover	1	4	Treat	Policy is to keep insurance risks fully covered	SLT	Jan 2025	
	Macro economic risk	Risk of the impact an uncontrollable event will have on the charity e.g. recession, war, oil crisis	1	4	Treat	Manage fund reserves to mitigate	GB	Jan 2025	
	Natural disaster risk	Risk of the impact an uncontrollable event will have on the charity e.g. fire, flood	2	3	Treat / Transfer	Business Continuity Policy is robust. Some risk transferred to insurers	HT	Feb 2025	
	Technology risk	Information security risk		3	4	Treat	Procedures in ICT policies	SLT	Feb 2025
		Virus risk/corruption of data risk		4	4	Treat	Procedures in ICT policies	SLT	Feb 2025
		IT systems out of date / no longer supported	3	4	Treat	Budget plans for regular ICT upgrades	SLT/HT	Feb 2025	

Risk Register - Strategic and Reputational Risks Cont'd

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	Date of next review
2 Public profile risk	Charitable objects risk	Charity not seen by public to be meeting its objects	1	3	Treat	Regular information provided regarding schools activities	HT	Dec 2024
		Objects of the charity are controversial or may attract a high level of public interest	1	2	Tolerate	Not a practical risk at the moment	n/a	Dec 2024
	Trustee profile risk	Trustees have a high public profile and may cause the charity to attract publicity	1	2	Tolerate	Not a practical risk at the moment	n/a	Feb 2025
		Trustees are seen by the public to be paid a high amount for expenses	1	3	Treat	Policy on governors expenses available on the school website: No expenses claimable.	Chair of Governors	Feb 2025
		Trustees are not considered to be arms length from charity	2	3	Treat	Minutes of meetings available to all.	Chair of Governors	Feb 2025
2 Public profile risk (continued)	Expenditure risk	Management and administration costs are perceived by the public to be high	2	3	Treat	Regularly reviewed by the Governing Board– benchmarking	HT	Dec 2024
		Senior management of the charity are seen by the public to be paid high salaries	1	3	Treat	Salaries reviewed against school banding. No additional payments made.	GB	Dec 2024
		Reserves level risk - Charity seen to be holding reserves and not spending enough on its charitable objects	1	2	Treat	Not a practical risk but treat perception by making information available regarding development plans	HT	Dec 2024
	Quality of service/ product risk	Charity provides a poor quality service to its beneficiaries/ customers	1	3	Treat	Standards reviewed regularly by SMT to ensure standards maintained.	SMT	Dec 2024

Risk Register - Strategic and Reputational Risks Cont'd

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	Date of next review
	Fraud risk	Fraud discovered at the Charity attracts bad publicity	1	5	Treat	Delegation statement followed and reviewed annually.	Chair of Govs and HT	Jan 2025
	Failure to comply with legislation risk	Failure to comply with Health and Safety legislation results in an employee/volunteer/beneficiary of the Charity being injured at work, attracting bad publicity	2	5	Treat	Apply health & safety policy and risk assessments. Oversight by the GB and Site Committee	SLT, HT, Site Committee, GB	Jan 2025
		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 any such issues.	HT / SLT / GB	Jan 2025
	Litigation risk	Charity is involved in litigation	2	5	Treat	Maintain high standards in all aspects of the school's work.	HT, GB	Jan 2025
3 Governing body organisation risk	Delegation risk	Committees not established with delegated authority, eg finance, personnel etc.	1	3	Treat	Terms of reference for all committees agreed by GB at start of each year.	GB	Feb 2025
		Committee terms of reference not consistent / adequate etc.	1	3	Treat	TOR reviewed at least annually in line with recommendations from Academies Financial Handbook	GB	Feb 2025
		Committee terms of reference not sufficiently flexible	1	3	Treat	See above answer	GB	Feb 2025
		Trustees delegate too little / too much to the Principal and/or Finance Director	2	4	Treat	Regular review of Scheme of Management Delegation	GB	Feb 2025
Principal/FD absence risk	Trustees do not ensure rigorous monitoring is undertaken in the absence of the Principal and/or Finance Director	2	4	Treat	Outstanding Deputy in place to cover in case of absence of Head.	GB	Feb 2025	

Risk Register - 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	Date of next review
1 Management information risk	Quality risk	Risk that information produced (financial and non-financial) for trustees and senior management is not accurate or not in a format suitable for monitoring the performance of the charity	2	4	Treat	Information is monitored using independent sources of advice, namely Responsible Officer, Auditors, Raise on-line etc	GB	Jan 2025
	Timeliness risk	Risk that management information is not available quickly after the period to which it relates	1	3	Treat	Kept under review by Finance Trustees and GB	AFM	Jan 2025
	Review risk	Risk that management information is not subject to review	1	3	Treat	Regularly reviewed by Finance Trustees	GB	Feb 2025
		Risk that action is not taken after the review of management information	1	3	Treat	Action points always identified and reviewed at the next meeting	GB	Feb 2025
	Quantity risk	Risk that too little management information is produced to facilitate informed decision making	1	3	Treat	Kept under review by Finance Trustees and GB	GB	Feb 2025

Risk Register - Operational Risks Cont'd

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	Date of next review
2 Human resources risk	Trustee risk	Insufficient experience of charity/education sector	1	4	Treat	Governor training. Co-option of persons with expertise.	GB	Jan 2025
		Trustees without req'd expertise	3	1	Treat	Governor training	GB	Jan 2025
		Lack of availability/poor attendance at meetings	1	3	Treat	Membership and attendance reviewed by GB	GB	Jan 2025
		Entrepreneurial risk - risk that trustees are too entrepreneurial. Risk that activities of the charity could be outside its objects.	1	4	Tolerate	Not a major risk at present	n/a	Jan 2025
		Trustees become too involved with management of the charity and are not independent from management	1	3	Tolerate	Not a major risk at present	n/a	Jan 2025
		Trustees do not act solely in the interests of the charity but for their business/other interests etc.	1	5	Treat	Apply provisions for Financial Procedures	GB	Jan 2025
		No member with responsibility for financial oversight is appointed	1	4	Treat	Appoint chair and members of Finance Trustees	GB	Feb 2025
		Passive Trustees	2	3	Treat	Governor training	Chair of Governors	Feb 2025

Risk Register - Operational Risks Cont'd

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	Date of next review	
2 Human resources risk (continued)	Management risk	Senior management capability / experience of charity sector risk	1	4	Treat	Provide training	HT	Jan 2025	
		Integrity risk	1	4	Tolerate	Not a practical risk at present. Whistle Blowing policy in operation.	n/a	Jan 2025	
		Key person loss/succession risk	3	4	Treat	Plan for all eventualities	HT / GB	Jan 2025	
			Entrepreneurial risk - risk that management is too entrepreneurial. Risk that activities of the charity could be outside its objects.	1	2	Tolerate	Not a practical risk at present	n/a	Jan 2025
	Staff risk		Low morale risk	2	3	Treat	Monitored by Assistant Heads and SMT	HT	Jan 2025
			Retention risk	1	2	Treat	Monitored by HT	HT	Jan 2025
			Recruitment risk (risk of recruiting the wrong person)	1	5	Treat	Safer Recruitment Procedures followed rigorously.	GB / HT	Feb 2025
			Recruitment risk (recruiting someone unsuitable to work with children)	1	5	Treat	Safer Recruitment Procedures followed rigorously.	GB / HT	Feb 2025
			Appraisal /assessment risk	1	3	Treat	See Performance Management processes.	HT	Jan 2025
			Staff matters not referred to HR professionals, may lead to tribunals	1	3	Treat	HR advice sought on all difficult issues	SLT / HT	Jan 2025
			Training risk	1	2	Tolerate	Not a practical risk at present	n/a	Jan 2025
			Technical capability risk	2	4	Treat	Provide training	HT	Jan 2025

Risk Register - Operational Risks Cont'd

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	Date of next review
	Volunteer risk	Excessive reliance on volunteers	1	2	Tolerate	Not a practical risk at present	n/a	Dec 2024
		Lack of control over volunteers	1	3	Treat	Provide training / supervision	Deputy Head	Dec 2024
		Training risk	2	3	Treat	Provide training / supervision	HT / Deputy Head	Dec 2024
		Risk that volunteers are not of appropriate quality/vetted/subject to police checks	1	5	Treat	Safeguarding policy applied – all volunteers DBS checked	SLT	Dec 2024
	H & S risk	Staff fatality/injury	2	5	Treat	Health & Safety Policy and Risk Assessments applied rigorously	SLT / HT	Dec 2024
		Fatality/injury to pupil/third party	2	5	Treat	Health & Safety Policy and Risk Assessments applied rigorously	SLT / HT	Dec 2024
		Other third party risk	2	3	Treat	Health & Safety Policy and Risk Assessments applied rigorously	SLT / HT	Dec 2024
3 Income risk	Donor risk	Charity heavily reliant on one donor	1	1	Tolerate	Not a practical risk at present	n/a	Dec 2024
		Donor has a strong influence/power over charities activities	1	1	Tolerate	Not a practical risk at present	n/a	Dec 2024
	Marketing risk	Other charities competing for donations or similar sources of income	1	1	Tolerate	Not a practical risk at present	n/a	Dec 2024
	Grants receivable risk	Grants receivable not used for the purposes for which they were given	1	2	Treat	Financial procedures followed.	SLT	Dec 2024
		Grant receivable reporting requirements are not adhered to	1	2		Financial procedures followed.	SLT	Dec 2024

Risk Register - Operational Risks Cont'd

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	Date of next review
4 Supplier risk	Supplier selection risk	Supplier financial viability	2	3	Treat	Rigorous tendering and payments process applied	SLT	Sept 2023
		Supplier inappropriate	2	3	Treat	Rigorous tendering and payments process applied	SLT	Sept 2023
		Supplier connected with either trustees or staff	1	3	Treat	Apply financial probity in line with financial procedures	SLT / GB	Sept 2023
		Delivery risk	2	3	Treat	Regular review of suppliers	SLT	Sept 2023
		Quality risk	2	3	Treat	Regular review of suppliers	SLT	Sept 2023
	Key supplier dependency risk	Risk that supplies not available	2	3	Treat	Stock levels monitored to allow time for alternative product purchase if required.	SLT	Sept 2023
		Risk of dependency on few suppliers	2	3	Treat	Tendering process	SLT	Sept 2023
	Value for money risk	Purchase price risk	2	2	Treat	Rigorous tendering process / corporate procurement purchase.	SLT / Finance Governors	Sept 2023
		Efficiency risk	2	2	Treat	Regular monitoring	SLT	Sept 2023

Risk Register - Compliance 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	Date of next review
1 Employee legislation risk	Employment laws risk	Risk that legislative requirements are not known or complied with	1	4	Treat	Regular advice sought from HR	SLT / HT	Sept 2023
		Discrimination risk	1	4	Treat	Equal Opportunities policy followed	HT	Sept 2023
		Data Protection risk	3	4	Treat	Apply data protection policy	SLT	Sept 2023
		Human Rights risk	1	3	Treat	Equal Opportunities policy followed	HT	Sept 2023
		Equal opportunities risk	1	4	Treat	Equal Opportunities policy followed	HT	Sept 2023
		Contract risk	1	3	Transfer	Contracted to Strictly Education	SLT	Sept 2023
	Pension risk	Risk that legislative requirements are not known or complied with	1	3	Transfer	Contracted to PensionService. Staging date for auto enrolment identified and planned for local authority.	SLT	Sept 2021
Health & safety risk	Risk that legislative requirements are not known or complied with	2	3	Treat	Apply Health & Safety policy Research and consider all relevant legislation	SLT	Sept 2023	
2 Environmental legislation	UK Legislation	Risk that legislative requirements are not known or complied with	2	3	Treat	Research and consider all relevant legislation	SLT	Sept 2023
	EU Legislation	Risk that legislative requirements are not known or complied with	2	3	Treat	Research and consider all relevant legislation	SLT	Sept 2023

Risk Register - Compliance Risks Cont'd

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	Date of next review
3 Financial reporting risk	Statutory accounts risk	Risk that legislative requirements are not known or complied with	2	4	Treat / Transfer	Adhere to financial procedures / Responsible Officer / Auditor to advise	SLT / Governing Body	Sept 2023
	Accounting standards risk	Risk that legislative requirements are not known or complied with	2	4	Treat / Transfer	Adhere to financial procedures / Responsible Officer / Auditor to advise	SLT / Governing Body	Sept 2023
	SORP compliance risk	Risk that legislative requirements are not known or complied with	2	4	Treat / Transfer	Adhere to financial procedures / Responsible Officer / Auditor to advise	SLT / Governing Body	Sept 2023
4 Charities legislation risk		Risk that legislative requirements are not known or complied with	1	2	Treat	Provide training	SLT	Sept 2023
		Risk trustees are not aware of the legislative requirements of being on the Forum	1	2	Treat	Requirements listed in Handbook of Governance	Chair of Governors	Sept 2023
5 Tax legislation risk	VAT/PAYE/NI risk	Risk that legislative requirements are not known or complied with	2	3	VAT = Treat NI / PAYE = transfer	Follow financial procedures. Payroll contracted to Strictly Education Ltd.	HT	Sept 2023
6 Data Protection Act risk		Risk that legislative requirements are not known or complied with	1	3	Treat	Data protection policy applied rigorously	SLT	Sept 2023

Risk Register - Compliance Risks Cont'd

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	Date of next review
7 Welfare compliance risk	Disability risk	Risk that legislative requirements are not known or complied with	1	3	Treat	Apply Single Equality Scheme	Deputy Head	Sept 2023
	Child Protection Act risk	Risk that legislative requirements are not known or complied with	1	3	Treat	Safeguarding Policy applied rigorously	HT	Sept 2023
8 Sector compliance risk	National curriculum compliance	Risk that legislative requirements are not known or complied with	1	2	Treat	National agreement on National Curriculum applied	HT	Sept 2023
	Mental Health compliance risk	Risk that legislative requirements are not known or complied with	5	3	Treat	Research requirements and review procedures	Deputy Head	Sept 2023
9 Local Authority and Central Government risk	Grant criteria risk	Grant terms and conditions are not complied with	1	2	Tolerate	Not a practical risk at present	n/a	Sept 2023
	Licensing risk	Risk that legislative requirements are not known or complied with	2	2	Treat	Apply ICT and copyright procedures	SLT	Sept 2023

Risk Register - 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	Date of next review
1 Overall financial control risk	Budget risk	Risk that budget cannot be prepared in accordance with DfES timetable	1	2	Treat	Financial timetable applied	SLT / GB	Sept 2023
		Risk that budget will be in deficit	1	4	Treat	Careful financial planning processes	SLT / GB	Sept 2023
		Risk that actual performance is not measured against budget on a regular basis	1	5	Treat	Financial procedures adhered to. Responsible Officer visits / audit	SLT / GB	Sept 2023
		Risk that budget headings are manipulated to ensure targets are met	1	4	Treat	Budget is prepared in consultation with SMT & Finance & Trustees	GB	Sept 2023
	Reconciliation risk	Risk that bank reconciliations / other key reconciliations are not completed and reviewed	1	2	Transfer	Schools Financial Services Bursary service purchased to address this. Responsible Officer visits and audit to advise.	SLT / GB	Sept 2023
		Risk that suspense accounts are not cleared or reconciled	1	2	Transfer	Schools Financial Services Bursary service purchased to address this. Responsible Officer visits and audit to advise.	SLT / GB	Sept 2023
	Consolidation risk	Risk that results of subsidiaries/associates are not consolidated with results of parent charity	1	1	Tolerate	Not a practical risk at present	n/a	Sept 2023

Risk Register - Financial Risks continued

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	Date of next review
2 Financial systems risk	Systems suitability risk	Risk that financial system is not suitable for charity's needs	1	3	Treat	Keep under review	SLT	Sept 2023
	Maintenance risk	Risk that financial system will not be maintained by provider in long term	2	4	Tolerate	Risk unavoidable – reviewed regularly by contact with capitalists	SLT	Sept 2023
	Disaster risk	Risk that financial information cannot be recovered in the event of a disaster (eg fire, theft, vandalism)	1	5	Treat / Transfer	Remote backup purchased from Adept & LGFL	SLT	Sept 2023
	Access risk	Risk of unauthorised access to financial systems	2	4	Treat	Password protected software and network. Segregation of duties adhered to.	SLT	Sept 2023
3 Income risk	Completeness risk	Invoices not raised for all transactions	2	3	Treat	Apply financial procedures	SLT	Sept 2023
		Donations in kind or intangibles are not recorded or recognised in the financial statements	2	2	Treat	Apply financial procedures	SLT	Sept 2023
	Restricted income risk	Income is not identified as restricted on receipt	1	2	Treat	Apply financial procedures	SLT	Sept 2023
		Restricted income is used for purposes other than restriction	1	2	Treat	Apply financial procedures	SLT	Sept 2023
		Restricted funds are transferred to unrestricted funds without consent of donor	1	2	Treat	Apply financial procedures	SLT	Sept 2023

Risk Register - Financial Risks continued

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	Date of next review
3 Income risk (continued)	Sponsorship funding risk	Sponsorship targets not met	1	1	Tolerate	Not a practical risk at present	n/a	Sept 2023
		Sponsorship promised by individual partners is not delivered	1	1	Tolerate	Not a practical risk at present	n/a	Sept 2023
	Cut off risk	Risk that income is accounted for in the wrong accounting period	2	2	Treat	Apply financial procedures	SLT	Sept 2023
	Fraud risk	Risk that donations are misappropriated	1	4	Treat	Apply financial procedures. Whistle Blowing policy	HT	Sept 2023
4 Expenditure risk	Authorisation risk	Risk that expenditure is not authorised	1	2	Treat	Apply financial procedures	SLT	Sept 2023
	Allocation risk	Risk that expenditure is allocated between SOFA headings using inappropriate basis	1	2	Treat	Apply financial procedures carefully as advised by RO and auditor	SLT	Sept 2023
	Price risk	Risk that discounts are not secured or price reductions obtained on purchases or services	1	2	Treat	Apply Best Value Statement and principles to all decisions	SLT	Sept 2023
	Cut off risk	Risk that expenditure is accounted for in the wrong accounting period	2	2	Treat	Apply financial procedures	SLT	Sept 2023
	Fraud Risk	False invoice/payment risk	2	2	Treat	Apply proper checks and adhere to segregation of duties.	SLT	Sept 2023

Risk Register - Financial Risks Cont'd

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	Date of next review
5 Treasury risk	Cash flow risk	Risk that cash flow requirements are not forecast	1	5	Treat / Transfer	Apply financial procedures	SLT/ GB	Sept 2023
		Risk that cash is all tied up in investments and insufficient is readily available to meet short term cash flow needs	1	4	Treat	Careful production of cash flow linked to rolling investment programme ensuring sufficient funding always available.	SLT	Sept 2023
6 Fixed asset risk	Capital construction risk	Risk that assets built by contractors do not meet specifications, or actual cost exceeds budget	1	1	Tolerate	Not a practical risk at present	n/a	Sept 2023
	Asset recognition risk	Risk that assets are not capitalised	2	3	Treat	Apply financial procedures correctly	GB	Sept 2023
		Risk that depreciation rate is not appropriate	2	2	Treat	Apply financial procedures carefully	SLT	Sept 2023
	Fraud risk	Risk that assets are misappropriated	2	2	Treat	Apply financial procedures carefully	GB	Sept 2023
7 Investment risk	Return risk	Risk that the return on investments is not being maximised	1	1	Tolerate	Not a practical risk at present	n/a	Sept 2023
		Risk that trustees are not acting in accordance with their investment policy/powers (eg investing in high risk investments which are not in best interests of the charity)	1	1	Tolerate	Not a practical risk at present	n/a	Sept 2023
8 Stock risk	Fraud risk	Risk that stock is misappropriated	2	2	Treat	Asset register of valuable items	SLT	Sept 2023

Risk Register - Financial Risks Cont'd

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	Date of next review
9 Debtors risk	Recoverability risk	Risk that debts are not recovered	2	2	Treat	Only debt would be uniform money which is monitored closely by Secretary. Small sums involved	HT	Sept 2023
		Risk that provision for doubtful debts is overstated/understated	1	1	Tolerate	Not a significant risk at present due to nature of debt.	n/a	Sept 2023
	Completeness risk	Risk that debtors record is not complete	1	1	Tolerate	Not a significant risk at present	n/a	Sept 2023
	Cut off risk	Risk that debtors are accounted for in the wrong accounting period	1	1	Tolerate	Not a practical risk at present	n/a	Sept 2023
	Cash flow risk	Risk that profile of aged debtors deteriorates which impacts on cash flow position	1	1	Tolerate	Not a practical risk at present	n/a	Sept 2023
10 Taxation risk	Non-charitable trading risk	Risk that charity is liable to tax on non charitable trading activities	1	1	Tolerate	Not a practical risk at present. No non-charitable trading activities undertaken.	n/a	Sept 2023
	Change in legislation risk	Risk that charity is not aware of changes in legislation	2	3	Treat	Keep up-to-date by reading and training	SLT	Sept 2023
11 Provisions and contingent liability risk	Recognition risk	Risk that charity is not recognising provisions or commitments in accordance with FRS 12	1	1	Transfer	RO and auditors to advise	n/a	Sept 2023
	Contractual commitments risk	Risk that charity has entered into future commitments without having the future funding available to meet them	1	1	Tolerate	Not a practical risk at present. 3 year financial forecast.	n/a	Sept 2023

Risk Register - Financial Risks Cont'd

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	Date of next review
12 Related party risk	Identification risk	Risk that related party transactions/ transactions with connected persons are not identified	1	2	Tolerate	Apply financial procedures	n/a	Sept 2023
		Risk that connected charities are not identified	1	1	Tolerate	Not a practical risk at present	n/a	Sept 2023
	Disclosure risk	Risk that related party transactions are not correctly or fully disclosed in the financial statements	1	1	Tolerate	Auditor and RO to advise	n/a	Sept 2023
13 Funds risk	Level of funds	Risk that fund levels are too high/low	1	3	Treat	Careful budget management and monitoring	HT	Sept 2023
		Risk that unrestricted funds are in deficit and restricted funds are in surplus	2	3	Treat	Careful budget management and monitoring	HT	Sept 2023
	Endowment risk	Risk that capital in permanent endowment funds is not maintained	1	1	Tolerate	No such funds maintained in school	n/a	Sept 2023
14 Pension risk	Funding risk	Risk that scheme is in significant deficit	5	1	Tolerate	School has undertaken pension liability assessment (FRS 17 Mercer)and has taken measures to address deficit – historic liability paid off, increased contribution. Future assessment to be arranged	SLT / HT	Sept 2023
	Contribution risk	Risk that employers' contribution rate increases	4	3	Tolerate	No practical action is available to school. Contingency in budget is always maintained to cover in the short term for such an occurrence.	SLT / HT	Sept 2023
		Risk that charity is not making the correct contributions	1	2	Transfer	Pensions Service purchased from Birmingham Payroll Services	SLT	Sept 2023

G. Glossary of Risk Terms

Assurance	gaining (independent) confirmation that the organisation's governance, risk management and internal control framework is appropriate, adequate and achieving the effects for which it has been designed
Corrective Control	a control designed to correct undesirable outcomes
Detective Control	a control designed to detect undesirable outcomes which have arisen
Directive Control	a control designed to ensure a particular outcome
Embedding Risk Management	ensuring that the risk management strategy is reflected in the objectives and function of every level of the organisation
Exposure	the consequences, as a combination of impact and likelihood, which may be experienced by the organisation if a specific risk is realised
Horizon Scanning	systematic activity to identify changes in risk as early as possible
Inherent Risk	the exposure arising from a specific risk before any action has been taken to manage it

Internal Control	any action taken within the organisation to manage risk, including the impact if the risk is realised and the frequency of it
Impact	the evaluated effect or result of a particular outcome actually happening
Likelihood	the evaluated probability of a particular outcome actually happening (including a consideration of the frequency with which the outcome may arise)
Preventive Control	a control designed to prevent an undesirable happening
Residual Risk	the exposure arising from a specific risk after action has been taken to manage it
Risk	uncertainty of outcome, whether positive opportunities or negative threats, arising from a combination of impact and probability, including perceived importance
Risk Appetite	the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time
Risk Assessment	the evaluation of risk with regard to the impact if the risk is realised and the likelihood of the risk being realised
Risk Management	all the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and reviewing progress