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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Category | Sub-category | Specific | Likelihood occurring [3=High1 = low] | Impact if it occurs[3 = high 1 = low] | Response [transfer, treat, tolerate or terminate] | Control Procedure  | Person[s] responsible for action | Date of next reviewFrom |
| **D1.** **Overall financial control risk**  | **Budget risk**  | Risk that budget cannot be prepared in accordance with DfE timetable  | 1 | 2 | Treat | Apply FRPP  | GB  | Sept 15  |
| Risk that budget will be in deficit  | 1 | 3 | Treat | Careful planning of reserves  | FP | Sept 15 |
| Risk that actual performance is not measured against budget on a regular basis  | 1 | 3 | Treat | Apply FRPP  | GB FP | Sept 15  |
| Risk that budget headings are manipulated to ensure targets are met  | 1 | 2 | Treat | Budget is prepared in consultation with SMT etc  | GB FP  | Sept 15  |
| **Reconciliation risk**  | Risk that bank reconciliations / other key reconciliations are not completed and reviewed  | 1 | 2 | Treat /Transfer | Apply FRPP Auditors& FP to advise  | GB  | Sept 15  |
| Risk that suspense accounts are not cleared or reconciled  | 1 | 2 | Treat /Transfer | Apply FRPP Auditors & FP to advise | GB  | Sept 15 |
| **Consolidation risk**  | Risk that results of subsidiaries / associates are not consolidated with results of parent academy | 1 | 1 | Tolerate | Not a practical risk at present  |  | Sept 15 |
| **D2.** **Financial systems risk**  | **Systems suitability risk**  | Risk that financial system is not suitable for the academy’s needs  | 1 | 2 | Treat | Keep under review  | GB  | Sept 15  |
| **Maintenance risk**  | Risk that financial system will not be maintained by provider in long term  | 1 | 1 | Tolerate | Not possible to prevent but keep under review  | GB  | Sept 15  |
| **Disaster risk**  | Risk that financial information cannot be recovered in the event of a disaster [eg fire, theft, vandalism]  | 1 | 2 | Treat | Backup carried out and kept off site | SBM | Sept 15  |
| **Access risk**  | Risk of unauthorised access to financial systems  | 1 | 1 | Treat | Only SBM has management rights  | SBM | Sept 15  |
| **D3.** **Income risk**  | **Completeness risk**  | Invoices not raised for all transactions  | 1 | 1 | Treat | Apply FRPP  | GB  | Sept 15  |
| Donations in kind or intangibles are not recorde/ recognised in the financial statements  | 1 | 1 | Treat | Apply FRPP  | GB  | Sept 15 |
| **Restricted income risk**  | Income is not identified as restricted on receipt  | 1 | 2 | Treat | Apply FRPP  | GB  | Sept 15  |
| Restricted income is used for purposes other than restriction  | 1 | 2 | Treat | Apply FRPP  | GB  | Sept 15  |
| Restricted funds are transferred to unrestricted funds without consent of donor  | 1 | 1 | Treat /Transfer | Apply FRPP | GB  | Sept 15 |

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| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Sponsorship funding risk**  | Sponsorship targets are not met  | 1 | 1 | Tolerate | Not a risk at present | Sept 15 |
| Sponsorship promised by individual partners is not delivered  | 1 | 1 | Tolerate | Not a risk at present | Sept 15 |
| **Cut off risk**  | Risk that income is accounted for in the wrong accounting period  | 1 | 1 | Treat | Apply FRPP & correct procedures carefully  | GB  | Sept 15  |
| **Fraud risk**  | Risk that donations are misappropriated  | 1 | 1 | Treat | Apply FRPP  | GB  | Sept 15  |
| **D4.** **Expenditure risk**  | **Authorisation risk**  | Risk that expenditure is not authorised  | 1 | 1 | Treat | Apply FRPP seek adviice from Accountant & Auditor | GB  | Sept 15  |
|  | **Allocation risk**  | Risk that expenditure is allocated between headings using inappropriate basis  | 1 | 1 | Treat | Apply FRPP & correct carefully, as advised by Accountant & Auditor  | GB  | Sept 15  |
|  | **Price risk**  | Risk that discounts are not secured or price reductions obtained on purchases or services  | 1 | 1 | Treat | Apply Best Value Statement & principles to all decisions.[role of Accounting Officer] | GB  | Sept 15 |
|  | **Cut off risk**  | Risk that expenditure is accounted for in the wrong accounting period  | 1 | 1 | Treat | Apply FRPP & correct procedures carefully  | GB  | Sept 15  |
|  | **Fraud risk**  | False invoice / payment risk  | 1 | 2 | Treat | Apply proper checks  | GB  | Sept 15  |
| **D5.** **Treasury risk**  | **Cash flow risk**  | Risk that cash flow requirements are not forecast  | 1 | 2 | Treat | Apply FRPPand correct procedures carefully  | GB  | Sept 15  |
|  |  | Risk that cash is all tied up in investments and insufficient is readily available to meet short term cash flow needs  | 1 | 1 | Tolerate | Not a practical risk at present  | Sept 15  |
| **D6.** **Fixed asset risk**  | **Capital construction risk**  | Risk that assets built by constructors do not meet specifications, or actual cost exceeds budget  | 1 | 2 | Treat | Apply Best Value Statement & principles to all decisions. Use of Diocese as Project Manager where appropriate | SBM  | Sept 15  |
| **Asset recognition risk**  | Risk that assets are not capitalised  | 1 | 1 | Treat | Apply FRPP & correct procedures carefully  | GB  | Sept 15  |
| Risk that depreciation rate is not appropriate  | 1 | 2 | Treat | Accountants to monitor/advise |  | Sept 15  |
| **Fraud risk**  | Risk that assets are misappropriated  | 1 | 1 | Treat. | Apply FRPP & AFH  | GB  | Sept 15  |
| **D7.** **Investment risk**  | **Return risk**  | Risk that the return on investments is not being maximised  | 1 | 1 | Treat | Apply FRPP & AFH Not appropriate currently as no separate investments  | GB  | Sept 15  |
|  |  | 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 academy]  | 1 | 1 | Treat | Apply FRP & AFH  | MC | Sept 15  |
| **D8.** **Stock risk**  | **Fraud risk**  | Risk that stock is misappropriated  | 2 | 2 | Treat | Apply FRPP  | GB  | Sept 15  |
| **D9.** **Debtors risk**  | **Recoverability risk**  | Risk that debts are not recovered  | 1 | 1 | Treat | Apply FRPP  | GB  | Sept 15  |
| **Completeness risk**  | Risk that debtors record is not complete  | 1 | 1 | Tolerate | Not a significant risk at present  | Sept 15 |
| **Cut off risk**  | Risk that debtors are accounted for in the wrong accounting period  | 1 | 1 | Treat | Apply FRPP& correct procedures carefully  | GB  | Sept 15  |
| **Cash flow risk**  | Risk that profile of aged debtors deteriorates which impacts on cash flow  | 1 | 1 | Tolerate | Not a significant risk at present  | Sept 15 |
| **D10** **Taxation risk**  | **Non-charitable trading risk**  | Risk that the academy is liable to tax on non charitable trading activities  | 1 | 1 | Treat | No trading  | GB  | Sept 15 |
| **Change in legislation risk**  | Risk that academy is not aware of changes in legislation  | 1 | 1 | Treat | Accountants to advise | GB  | Sept 15  |
| **D11.** **Provisions and contingent liability risk**  | **Recognition risk**  | Risk that academy is not recognising provisions or commitments in accordance with Financial Regulations  | 1 | 1 | Transfer | Auditor & Accountants to advise  | GB | Sept 15  |
|  | **Contractual commitments risk**  | Risk that the academy has entered into future commitments without having the future funding available to meet them  | 1 | 1 | Tolerate | Finance & Personnel committee to monitor | HT FP  | Sept 15 |
| **D12.** **Related party risk**  | **Identification risk**  | Risk that related party transactions/ transactions with connected persons are not identified  | 1 | 1 | Tolerate | Not a practical risk | FP | Sept 15  |
|  |  | Risk that connected charities are not identified  | 1 | 1 | Tolerate | Not a practical risk  | Sept 15 |
|  | **Disclosure risk**  | Risk that related party transactions are not correctly or fully disclosed in the financial statements  | 1 | 1 | Tolerate | Auditor& Accts to advise  | GB | Sept 15  |
| **D13.** **Funds risk**  | **Level of funds**  | Risk that fund levels are too high / low  | 1 | 2 | Treat | Proper budget management | FP | Sept 15 |
| Risk that unrestricted funds are in deficit and restricted funds are in surplus  | 1 | 1 | Treat | Proper budget management | FP | Sept 15  |
| **Endowment risk**  | Risk that capital in permanent endowment funds is not maintained  | 1 | 1 | Tolerate | Not applicable currently | Sept 15  |
| **D14.** **Pension risk**  | **Funding risk**  | Risk that scheme is in significant deficit  | 3 | 1 | Tolerate | No practical action is available to the School  | Sept 15  |
|  | **Contribution risk**  | Risk that employers’ contribution rate increases  | 1 | 1 | Tolerate | No practical action is available to the School  | Sept 15 |
|  |  | Risk that the academy is not making the correct contributions  | 1 | 2 | Transfer | Service contract with LA  | GB | Sept 15  |