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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Category | Sub-category | Specific | Likelihood occurring [3=High  1 = 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 review  From |
| **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 |