

# The Cardinal Newman Catholic Educational Trust

*'Seeking God in all things together'*

*Cardinal Newman*

## Risk Management Strategy 2022/23



# **RISK MANAGEMENT AND THE RISK REGISTER**

## **1. RISK MANAGEMENT**

1.1 The management of risks to the Academy is undertaken in accordance with the Funding Agreement and the Academies Financial Handbook. This Risk Management Policy explains Cardinal Newman Catholic Educational Trust's (the Trust's) underlying approach to risk management. It gives key aspects of the risk management process and identifies the main reporting procedures. The policy is reviewed and amended, if appropriate, on an annual basis by the Directors.

1.2 The policy forms part of the Academy's internal control and governance arrangements. The Board of Directors 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 Board of Directors is advised in this role by the Resources / Audit Committee and both are advised and informed by the Senior Leadership Teams.

1.3 The Board of Directors 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. Attached to fundamental risks are a series of policies that underpin the internal control process. These policies are set by the Directors and Core Committees. Written procedures support the policies where appropriate
- 1.3.2 Agreeing objectives, plans and resources by means of the budget and the annual improvement plans. 3 Year Plans are set annually and approved by the Board of Directors. This is used to set objectives, agree action plans, and allocate resources. Progress towards these objectives are monitored regularly.
- 1.3.3 Approving this policy statement and the attached Risk Register (prepared by the Resources / Audit Committee) and reviewing them carefully each year to identify risks, near misses and opportunities. Emerging risks are added to the Risk Register as required and improvement actions and risk indicators are monitored regularly.
- 1.3.4 Considering carefully the advice from the Responsible Officer, Auditor and Audit Committee on internal financial controls, together with advice from any external consultants or inspectors.

This includes:

### **Independent Risk Review**

This is performed annually by independent, qualified auditors who report to the Board on their work undertaken making recommendations where appropriate. The work to be undertaken is determined by the Board or Audit Committee.

### **External Audit**

External audit report to the Board of Directors, on the operation of the internal financial controls reviewed as part of the annual audit.

### **Third party Reports**

From time to time, the use of external consultants may be appropriate in areas such as Legal, Health and Safety, Insurance and Human Resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

1.4 The Senior Leadership Teams across the MAT fulfils its Risk Management role by:

- 1.4.1 implementing policies on risk management and internal control;

- 1.4.2 advising the Resources / Audit Committee of the fundamental risks faced by the Schools and helping to evaluate them;
- 1.4.3 providing timely and sufficient information to directors and the Resources / Audit Committee on the status of risks and controls;
- 1.4.4 assisting the Resources / Audit Committee 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 Academy management.

1.5 The Risk Register is revised annually by the Resources / Audit Committee who will recommend it to the Board of Directors.

1.6 In its annual consideration of the Risk Register the Board of Directors should consider these issues:

- 1.6.1 Whether risk management continues to be linked to the achievement of the Academy's objectives;
- 1.6.2 The appropriate risk appetite or level of exposure for the Academy as a whole;
- 1.6.3 Whether risk review procedures cover fundamental strategic and operational, compliance, financial and other risks to achieving the Academy's objectives;
- 1.6.4 Whether risk assessment and risk-based internal control are embedded in ongoing operations and form part of its culture;
- 1.6.5 Changes in the nature and extent of fundamental risks and the Academy'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 Board of Directors and whether this is sufficient for the Board of Directors 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 Academy'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.

1.7 Related Policy: Business Continuity Plan.

**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:

CFO = Chief Finance Officer.

CEO = Chief Executive Officer

BOD = Board of Directors.

MAT= Multi Academy Trust

Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action
<b>A1.1 Strategic risk</b>	<b>Charitable objective risk</b>	MAT is not operating within its objectives.	1	3	Treat	CEO & Resources / Audit Committee reviews	BOD
<b>A1.2</b>		MAT's objectives become out of date / are no longer appropriate.	1	1	Tolerate	Director's keep under review	BOD
<b>A1.3</b>		Schools receives unfavourable Ofsted report.	2	4	Treat [+Take Improvement Opportunity]	Regular review of Academy's Evaluations and individual and school targets. School Improvement support and regular reviews for all Trust schools CEO reporting to Board – on school standards and self-evaluation Use of external school improvement support to verify and audit school standards	Standards and Provision Committee
<b>A1.4</b>	<b>Charitable status risk</b>	Risk that Archdiocese could lose its charitable status.	1	4	Tolerate	SLT & Resources / Audit Committee Reviews	BOD
<b>A1.5</b>	<b>Long term demand risk</b>	Insufficient demand for the MAT's services leaves it unsustainable.	1	5	Treat	Regular discussion item in SLT and BOD	Primary Principals, CFO, BOD
<b>A1.6</b>	<b>Competition risk</b>	Presence of other organisations with similar objects and little scope for differentiation.	5	3	Treat	Regular discussion item in SLT and BOD to identify ways of improving further.	Primary Principals, CEO, BOD
<b>A1.7</b>		Other organisations competing for the same sources of income.	5	1	Treat	Regular discussion item in SLT and BOD to identify ways of improving further.	Primary Principals, CEO, CFO, BOD
<b>A1.8</b>	<b>Stakeholder risk</b>	Parents/Carers/other stakeholders don't consider that MAT provides a valuable/high-quality service.	2	4	Treat	Regular discussion item in SLT and BOD to identify ways of improving further.	Primary Principals, CEO, BOD
<b>A1.9</b>	<b>Alliance / partnership risk</b>	Appropriateness of alliance with strategic partners.	1	1	Tolerate	Not a practical risk at present	
<b>A1.10</b>		Integrity of partner risk.	1	1	Tolerate	Not a practical risk at present	

<b>A1.11</b>	<b>Investment powers risk</b>	Risk of the BOD not acting in accordance with their investment powers.	2	2	Treat	Procedures in Finance Procedure manual followed Regular annual audits	Resources / Audit Committee
<b>A1.12</b>	<b>Insurance risk</b>	Risk of financial loss/inability to replace items if MAT does not have adequate insurance cover.	3	4	Treat	Ensure all Insurance Policies are in place and reviewed annually.	Resources Committee/CEO
<b>A1.13</b>	<b>MAT economic risk</b>	Risk of the impact an uncontrollable event will have on the MAT e.g. recession, war, oil crisis.	1	4	Treat	Manage reserves to reduce risks.	Resources Committee/CEO
<b>A1.14</b>	<b>Natural disaster risk</b>	Risk of the impact an uncontrollable event will have on the MAT, e.g. fire, flood.	2	3	Treat / Transfer	Business Continuity Policy is robust. Some risk transferred to insurers.	Resources Committee/CEO
<b>A1.15</b>	<b>Technology risk</b>	Information security risk.	4	4	Treat	Procedures in ICT Policy and Business Continuity plan.	CEO
<b>A1.16</b>		Virus risk/corruption of data risk.	4	4	Treat	Procedures in ICT Policy and Business Continuity plan.	CEO
<b>A1.17</b>		IT systems out of date / no longer supported.	3	3	Treat	Planning for regular renewal	IT Developer

Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action
<b>A2.1</b> <b>Public profile risk</b>	<b>Multi Academy Company objects risk</b>	MAT not seen by the public to be meeting its objects.	1	3	Treat	Publicise what schools actually do. Develop a targeted marketing plan for the Trust and individual schools.	Primary Principal
<b>A2.2</b>		Objects of the MAT are controversial or may attract a high level of public interest.	1	2	Tolerate	Not a practical risk at present	BOD, Primary Principals
<b>A2.3</b>	<b>Expenditure risk</b>	Management and administration costs are perceived by the public to be high.	2	3	Treat	Regularly reviewed by Resources / Audit Committee against benchmarked comparable establishments.	Resources / Audit Committee
<b>A2.4</b>		Reserves level risk – MAT seen to be holding reserves and not spending enough on its agreed objectives.	1	2	Treat	Not a <i>practical</i> risk, but treat perception by making information available. To be monitored regularly by BoD and Finance Committee. Conversations regarding reserves to be discussed in light of proposed MAT growth and how changing size, structure and makeup effects reserves.	Resources Committee, Principal, CFO CEO
<b>A2.5</b>	<b>Quality of service / product risk</b>	MAT provides a poor quality service.	1	3	Treat	Review regularly to ensure high standards maintained.	Principals, CEO and BOD
<b>A2.6</b>	<b>Fraud risk</b>	Fraud discovered at the MAT attracts bad publicity.	1	5	Treat	Ensure Financial Scheme for Delegation is followed.	CEO CFO Resources / Audit Committee
<b>A2.7</b>	<b>Failure to comply with legislation risk</b>	Failure to comply with Health and Safety legislation results in an employee/volunteer/beneficiary of the MAT being injured at work, attracting bad publicity.	2	5	Treat	Apply Health and Safety Policy and Risk Assessments. Oversight by Resources / Audit Committee	Primary Principals, CEO CFO and Resources / Audit Committee
<b>A2.8</b>		Failure to comply with employment law – e.g. unfair dismissal of an employee – attracts adverse publicity.	1	3	Treat	Use Outsourced HR support to obtain advice.	Primary Principals, CEO, CFO and BOD.
<b>A2.9</b>	<b>Litigation risk</b>	MAT is involved in litigation.	2	5	Treat	Maintain high standards in all aspects of the School's work.	CEO, BOD

Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action
<b>A3.1 Board of Directors organisation risk</b>	<b>Delegation risk</b>	Committees not established with delegated authority.	1	3	Treat	Constitution of Standing Committees Policy kept up to date.	BOD/CFO/CEO
<b>A3.2</b>		Committee terms of reference not sufficiently flexible.	1	3	Treat	Committee terms of Reference are reviewed annually.	BOD/CFO/CEO
<b>A3.3</b>		Board of Directors delegate too little / too much to the CEO and CFO.	2	4	Treat	Annual review of Financial Scheme of Delegation and review of committees' terms of references.	Resources / Audit Committee, BOD, CFO, CEO
<b>A3.4</b>	<b>CEO/CFO absence risk</b>	Directors do not ensure rigorous monitoring is undertaken in the absence of the CEO or CFO.	2	4	Treat	Kept under regular review - ensure Business Continuity and succession planning takes place.	CEO, Resources / Audit Committee, BOD, CFO

## B. Operational Risks

Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action
<b>B1.1 Management information risk</b>	<b>Quality risk</b>	Risk that information produced (financial and non-financial) for Directors and Senior Leadership is not accurate or not in a format suitable for monitoring the performance of the MAT.	2	4	Treat	Information is monitored using independent sources of advice, especially CFO, Auditor, independent advisers, ISDR, ASP, external school improvement support.	Primary Principals, CFO
<b>B1.2</b>	<b>Timeliness risk</b>	Risk that management information is not available quickly after the period to which it relates.	1	3	Treat	Reporting procedures kept under review by Resources / Audit Committee and BOD .	Primary Principals, CFO
<b>B1.3</b>	<b>Review risk</b>	Risk that management information is not subject to review.	1	3	Treat	Annually reviewed by Resources / Audit Committee	Resources / Audit Committee/BOD
<b>B1.4</b>		Risk that action is not taken after the review of management information.	1	3	Treat	Action Points always identified in Minutes and reviewed at next meeting.	BOD, CEO and CFO
<b>B1.5</b>	<b>Quantity risk</b>	Risk that too little management information is produced to facilitate informed decision making.	1	3	Treat	Kept under review by Resources / Audit Committee and BOD	CEO, CFO, Resources / Audit Committee and BOD.



Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action
<b>B2.1</b>	<b>Human resources risk</b>	Insufficient experience of the education sector.	1	4	Treat	Director training. Co-option of persons with expertise.	Principal, CFO,BOD
<b>B2.2</b>		Directors and Representatives without required expertise.	3	1	Treat	Director, Governor training	BOD
<b>B2.3</b>		Lack of availability/poor attendance at meetings.	1	3	Treat	Membership of Committees reviewed by BOD.	BOD
<b>B2.4</b>		Entrepreneurial risk – risk that activities are too entrepreneurial. Risk that activities of the MAT could be outside its objects.	1	4	Tolerate	Not a major risk at present	
<b>B2.5</b>		Directors become too involved with management of the MAT and are not independent of management.	1	3	Tolerate.	Review Committee Terms of reference on an Annual basis.	BOD, CEO
<b>B2.6</b>		Directors Governors and staff do not act solely in the interests of the MAT but for their business/other interests etc.	1	5	Treat	Ensure annual Register of interests is completed by all Directors and Governors. Ensure that declaration of Business Interest is minuted at each meeting.	BOD, Academy Committees
<b>B2.7</b>		No member with responsibility for financial oversight is appointed .	1	4	Treat	Appoint experienced Chair and members of Resources / Audit Committee and ensure regular training.	BOD,CFO
<b>B2.8</b>		Passive Directors and Representatives.	2	3	Treat	Director and Governor training to ensure they act as critical friends.	BOD

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<b>B3.1 Management risk</b>	Senior Leadership	Senior Leadership capability / experience of Education sector risk.	1	4	Treat	Provide training.	CEO, CFO, BOD
<b>B3.2</b>		Integrity risk .	1	4	Tolerate	Not a practical risk at present	
<b>B3.3</b>		Key person loss / succession risk.	4	3	Treat	Business Continuity planning and succession planning.	CEO, BOD
<b>B3.4</b>		Entrepreneurial risk – risk that management is too entrepreneurial. Risk that activities of the MAT could be outside its objects.	1	2	Tolerate	Not a practical risk at present	

Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action
<b>B4.1 Staff Risk</b>	BOD and school	Low morale risk.	3	3	Treat	Monitored by CEO, Staff feedback through communication strategy	CEO
<b>B4.2</b>		Retention risk.	1	2	Treat	Review of staff turnover.	CEO, Primary Principals CFO and BOD
<b>B4.3</b>		Recruitment risk. (recruiting someone unsuitable to work with children)	1	5	Treat	Apply Safeguarding Policies Conduct safeguarding audits with external providers	CEO, CFO Mission and Strategy Committee
<b>B4.4</b>		Appraisal/assessment risk.	1	3	Treat	Apply Performance Management Policies and review policies annually	CEO, CFO BOD
<b>B4.5</b>		Staff matters not referred to HR professionals, may lead to tribunals.	1	3	Treat	Use Outsourced HR support to obtain advice.	CEO, CFO BOD
<b>B4.6</b>		Training risk.	1	2	Tolerate.	Not a practical risk at present	
<b>B4.7</b>		Technical capability risk.	2	4	Treat	Provide training.	CEO

Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date
<b>B5.1 Volunteer Risk</b>		Excessive reliance on volunteers.	1	2	Tolerate	Not a practical risk at present
<b>B5.2</b>		Lack of control over volunteers.	1	3	Treat	Provide training.
<b>B5.3</b>		Risk that volunteers are not of appropriate quality/vetted/subject to DBS checks.	1	5	Treat	Safeguarding Policy applied rigorously.
<b>B6.H &amp; S risk</b>		Staff fatality/injury Fatality/injury to pupil/third party Other third party risk.	2	4	Treat	Health & Safety Policy and Risk Assessments applied rigorously. Monitor Accident statistics.
<b>B7.1 Income risk</b>	<b>Donor risk</b>	MAT heavily reliant on one donor.	1	1	Tolerate	Not a practical risk at present
<b>B7.2</b>		Donor has a strong influence / power over MAT's activities.	1	1	Tolerate	Not a practical risk at present
<b>B7.3</b>	<b>Marketing risk</b>	Other organisations competing for donations or similar sources of income.	2	2	Treat	Find new sources of funding / improve competitiveness.
<b>B7.4</b>	<b>Grants receivable risk</b>	Grants receivable not used for the purposes for which they were given.	2	3	Treat	Enforce Financial Procedures rigorously. Auditors help to identify problems.
<b>B7.5</b>		Grants receivable reporting requirements are not adhered to.	1	2	Treat	Use Financial Procedures rigorously. Auditors help to identify problems.
<b>B7.6</b>		GAG received late or sum reduced.	3	4	Tolerate	Reserves managed prudently and cash flow monitored.

Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action
<b>B8.1</b>	<b>Supplier risk</b>	Supplier financial viability.	2	3	Treat	Rigorous tendering and payments processes applied.	CFO/Resources / Audit Committee
<b>B8.2</b>		Supplier inappropriate. .	2	3	Treat	Rigorous tendering and payments processes applied.	CFO/Resources / Audit Committee
<b>B8.3</b>		Supplier connected with Directors, Academy Committee Members or staff.	1	3	Treat	Use Financial Procedures rigorously And review Register of Business Interests annually	CFO/Resources / Audit Committee
<b>B8.4</b>		Delivery risk Quality risk.	2	3	Treat	Regular reviews of suppliers.	CFO
<b>B8.4</b>	<b>Key supplier dependency risk</b>	Risk that supplies not available.	2	3	Tolerate	No action practicable to avoid the risk.	
<b>B8.5</b>		Risk of dependency on few suppliers.	2	3	Treat	Follow MAT order process to ensure value for money.	CFO
<b>B8.5</b>	<b>Value for money risk</b>	Purchase price risk.	2	2	Treat	Follow MAT order process to ensure value for money.	CFO
<b>B8.6</b>		Efficiency risk.	2	3	Treat	Regular monitoring of suppliers and ordering processes.	CFO.

### C. Compliance Risks

Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action
<b>C1.1</b>	<b>Employment laws risk</b>	Risk that legislative requirements are not known or complied with.	1	4	Treat	Use Outsourced HR support to obtain advice.	BOD, CEO, CFO
<b>C1.2</b>		Equal opportunities risk.	1	4	Treat	Apply Equal Opportunities Policy	CEO, CFO
<b>C1.3</b>		Data Protection risk.	3	4	Treat	Apply Data Protection Policy.	CEO, CFO
<b>C1.4</b>		Human Rights risk.	1	3	Treat	Apply Equal Opportunities Policy.	CEO, CFO
<b>C1.5</b>		Contract risk.	1	3	Transfer	Use Outsourced HR support to obtain advice.	CEO/CFO
<b>C1.6</b>	<b>Pension risk</b>	Risk that legislative requirements are not known or complied with.	1	3	Transfer	Use Outsourced HR support to obtain advice.	CEO, CFO, Resources / Audit Committee

<b>C1.7</b>	<b>Health and safety risk</b>	Risk that legislative requirements are not known or complied with.	2	3	Treat / Transfer	Review Health and Safety Policy on an Annual Basis. Ensure appropriate staff are adequately trained	Principal, CFO, Resources / Audit Committee
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<b>Category</b>	<b>Sub-category</b>	<b>Specific</b>	<b>Likelihood of occurring (5=high, 1=low)</b>	<b>Impact if occurs (5=high, 1=low)</b>	<b>Response (transfer, treat, tolerate or terminate)</b>	<b>Control procedures and target date</b>	<b>Person(s) responsible for action</b>
<b>C2. Environmental legislation</b>	<b>UK legislation</b>	Risk that legislative requirements are not known or complied with.	2	3	Treat	Use outsourced services to ensure policies are up to date.	CEO, CFO, Resources / Audit Committee
<b>C3. Financial reporting risk</b>	<b>Statutory accounts risk</b>	Risk that legislative requirements are not known or complied with.	2	4	Treat / Transfer	Apply Financial Procedures. Seek advice from appointed accountants	CEO, CFO, Resources / Audit Committee, Audit Committee
<b>C3.1</b>	<b>Accounting standards risk</b>	Risk that legislative requirements are not known or complied with.	2	4	Treat/Transfer	Seek advice from appointed accountants	CEO, CFO, Resources / Audit Committee, Audit Committee
<b>C3.2</b>	<b>SORP compliance risk</b>	Risk that legislative requirements are not known or complied with.	2	4	Treat / Transfer	Seek advice from appointed accountants	CEO, CFO, Resources / Audit Committee, Audit Committee
<b>C4. Charities legislation risk</b>		Risk that legislative requirements are not known or complied with.	1	2	Treat	Seek advice from appointed accountants	CEO, CFO, Resources / Audit Committee, Audit Committee
<b>C5. Tax legislation risk</b>	<b>VAT / PAYE / NI risk</b>	Risk that legislative requirements are not known or complied with.	2	3	VAT = Treat PAYE, NI = Transfer	Apply Financial Procedures. Seek advice from appointed accountants	CFO/Resources / Audit Committee.
<b>C6. Data Protection Act risk</b>		Risk that legislative requirements are not known or complied with.	1	3	Treat	Apply Data Protection Policy rigorously.	CEO, CFO.

<b>C7.1 Welfare compliance risk</b>	<b>Disability risk</b>	Risk that legislative requirements are not known or complied with.	1	3	Treat	Apply Equality of Opportunity Policy rigorously.	CEO, CFO
<b>C7.2 Child Protection risk</b>		Risk that legislative requirements are not known or complied with.	1	3	Treat	Apply Safeguarding Policy rigorously.	CEO.
<b>C8.1 Sector compliance risk</b>	<b>Curriculum compliance</b>	Risk that legislative requirements are not known or complied with.	1	2	Treat.	Apply Common Curriculum Policy.	CEO, CFO, Standards and Provisions Committee.
<b>C8.2</b>	<b>Mental health compliance risk</b>	Risk that legislative requirements are not known or complied with.	1	3	Treat.	Apply Staff Wellbeing Policy consistently.	CEO, CFO and Mission and Strategy Committee
<b>C9.1 Local Authority and Central Government risk</b>	<b>Grant criteria risk</b>	Grant terms and conditions are not complied with.	1	2	Treat	Apply Financial Procedures.	CFO, Resources / Audit Committee
<b>C9.2</b>	<b>Licensing risk</b>	Risk that legislative requirements are not known or complied with.	2	2	Treat	Apply ICT Policy and copyright procedures, etc.	CEO, CFO ICT Developer

#### D. Financial Risks

Category	Sub-category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response (transfer, treat, tolerate or terminate)	Control procedures and target date	Person(s) responsible for action
<b>D1.1 Overall financial control risk</b>	<b>Budget risk</b>	Risk that budget cannot be prepared in accordance with DfE timetable.	1	2	Treat	Apply Financial procedures rigorously.	CFO, Resources / Audit Committee
<b>D1.2</b>		Risk that budget will be in deficit.	1	4	Treat	Regular monitoring of budgets.	CFO, Resources / Audit Committee
<b>D1.3</b>		Risk that actual performance is not measured against budget on a regular basis.	1	4	Treat	Apply Financial Procedures Rigorously and follow Financial Scheme of Delegation	CFO, Resources / Audit Committee

<b>D1.4</b>	<b>Reconciliation risk</b>	Risk that bank reconciliations / other key reconciliations are not completed and reviewed.	1	3	Treat / Transfer	Apply Financial Procedures. Auditors and RO to advise.	CFO, Resources / Audit Committee
<b>D1.5</b>		Risk that suspense accounts are not cleared or reconciled.	1	2	Treat / Transfer	Apply Financial Procedures Rigorously and follow Financial Scheme of Delegation	CFO.

<b>Category</b>	<b>Sub-category</b>	<b>Specific</b>	<b>Likelihood of occurring (5=high, 1=low)</b>	<b>Impact if occurs (5=high, 1=low)</b>	<b>Response (transfer, treat, tolerate or terminate)</b>	<b>Control procedures and target date</b>	<b>Person(s) responsible for action</b>
<b>D2.1 Financial systems risk</b>	<b>Systems suitability risk</b>	Risk that financial system is not suitable for the MAT's needs.	2	3	Treat	Review contract with provider and review against SLA	CFO.
<b>D2.2</b>	<b>Maintenance risk</b>	Risk that financial system will not be maintained by provider in long term.	2	4	Tolerate	Review contract regularly, investigate other options and benchmark	CFO, Resources / Audit Committee.
<b>D2.3</b>	<b>Disaster risk</b>	Risk that financial information cannot be recovered in the event of a disaster. (e.g. fire, theft, vandalism)	1	4	Treat	Remote system back up as per Business Continuity Plan	CFO, ICT Developer.
<b>D2.4</b>	<b>Access risk</b>	Risk of unauthorised access to financial systems.	2	4	Treat	Apply Financial Scheme of Delegation and ICT policy rigorously.	CFO, ICT Developer

<b>sCategory</b>	<b>Sub-category</b>	<b>Specific</b>	<b>Likelihood of occurring (5=high, 1=low)</b>	<b>Impact if occurs (5=high, 1=low)</b>	<b>Response (transfer, treat, tolerate or terminate)</b>	<b>Control procedures and target date</b>	<b>Person(s) responsible for action</b>
<b>D3.1 Income risk</b>	<b>Completeness risk</b>	Invoices not raised for all transactions.	2	3	Treat	Apply Financial procedures Policy.	CFO.
<b>D3.2</b>		Donations in kind or intangibles are not recorded or recognised in the financial statements.	2	2	Treat	Apply Financial procedures Policy.	CFO.
<b>D3.3</b>	<b>Restricted income risk</b>	Income is not identified as restricted on receipt.	1	2	Treat	Apply Financial procedures Policy.	CFO.
<b>D3.4</b>		Restricted income is used for purposes other than restriction.	2	2	Treat	Apply Financial procedures Policy.	CFO.
<b>D3.5</b>		Restricted funds are transferred to unrestricted funds without consent of donor.	2	1	Treat / Transfer	Apply Financial procedures Policy.	CFO