

**DEALT**

**Risk Management**

**Risk Register**

## 1.0 Trust details

Trust Name:

Address:

Telephone/Fax/Email:

Trust Website:

## 2.0 Risk Register Information

### 2.1 Key Information

Date	
Author(s)	
Review Date	
Author(s)	
Review Date	
Author(s)	

### 2.2 Introduction

The Board of Trustees 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.

#### **Purpose and aims**

The Board of Trustees fulfils its role by establishing the following system of internal control:

- Approving and reviewing a series of policies that underpin the internal control process
- Agreeing objectives, plans and resources by means of the budget and the Strategic Plan
- Approving this policy statement and the attached Risk Register and reviewing them carefully each year to identify risks, near misses and opportunities
- Considering carefully the advice from a Responsible Officer, Auditor and Audit Committee on internal financial controls, together with advice from any external consultants or inspectors.

## **Risk Register**

The Board of Trustees will revise the Risk Register annually. In its annual consideration of the Risk Register, the Board of Trustees should consider these issues:

- Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the Trust's objectives
- Whether risk assessment and risk-based internal control are embedded in on-going operations and form part of its culture
- Changes in the nature and extent of fundamental risks and the Trust'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
- The extent and frequency of reports on internal control to the Board of Trustees and whether this is sufficient for the Board of Trustees to build up a cumulative assessment of the state of control and effectiveness of risk management
- 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
- The effectiveness of the Trust's public reporting processes
- The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.

### **The Risks to the Trust are divided into five sections:**

- Strategic and Reputational Risks
- Financial Risks
- Compliance Risks
- Operational Risks
- Safeguarding

### **Abbreviations Used In The Risk Register:**

**CEO** Chief Executive Officer

**FC** Finance/ Audit Committee

**HT** Headteachers

**STAN** Standards Committee

**CFO** Chief Finance Officer

**BoT** Board of Trustees

**LGB** Local Governing Body

## 2.3 Trust Risk Matrix and Risk Notes

### Risk Rating

- Provide a score of 1 – 5 for the perceived impact of the risk
- Provide a score of 1 – 5 for the likelihood (probability) that it will happen.
- Times the two numbers together to create a risk rating

I • Impact

P • Probability

IxP • Risk Rating

Impact (consequence)	Probability (likelihood)
5 (Major)	5 (Very Likely)
4 (Significant)	4 (Likely)
3 (Moderate)	3 (Unlikely)
2 (Minor)	2 (Very Unlikely)
1 (No Consequence)	1 (Impossible)

Score	Risk Description	Action Requirements
15 - 25	High Risk	Risk will be actively managed with control measures
6 - 12	Medium Risk	Take appropriate action to reduce risk if possible
5 and below	Low Risk	Risk to have low priority in the risk register, activity monitored in case of escalation

## Risk Matrix (likelihood and Impact)

Likelihood	Very likely	5	5 Low	10 Medium	15 High	20 High	25 High
	Likely	4	4 Low	8 Medium	12 Medium	16 High	20 High
	Unlikely	3	3 Low	6 Medium	9 Medium	12 Medium	15 High
	Very Unlikely	2	2 Low	4 Low	6 Medium	8 Medium	10 Medium
	Rare/Impossible	1	1 Low	2 Low	3 Low	4 Low	5 Low
			1	2	3	4	5
			No consequence	Minor	Moderate	Significant	Major
			<b>Impact</b>				

### 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*).

## 3.0 Strategic and Reputational Risk

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible? As SoD
1. Strategic Risk	Stakeholder risk: Quality of service offered by MAT not seen to be value for money	Academies and other stakeholders don't consider that the Trust provides a valuable, high quality service	2	4	Treat	Headteacher group Chairs group Bursar/Business Manager meetings.	CEO BoT
	Insurance Risk	Risk of financial loss, litigation, reputational damage and inability to replace items if the Trust does not have adequate insurance cover	2	4	Treat	Regularly meet with insurance broker to review insurance programme and ensure comprehensive cover.  Regularly review the RPA scheme	CFO/ FC
	External risk	Risk of the impact an uncontrollable event will have on the Trust e.g. recession, change of government, war, oil crisis	2	5	Treat	Manage reserves  Monitor	BoT CEO LGB
	Falling Pupil number	Falling Pupil Numbers leaves it unsustainable	2	5	Treat	Regular monitoring of trends in pupil numbers, budget information and employment costs  Experienced Local Governing Bodies and senior leaders in each academy.	CEO HT/ LGB BoT

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
						<p>Every academy has an admissions policy</p> <p>Every academy has a communication policy and a marketing strategy</p>	
	Natural disaster risk	Risk of the impact on uncontrollable event will have on the Trust or an academy e.g. fire, flood	2	5	Treat/ Transfer	<p>Business Continuity Plan for each Academy</p> <p>Adequate insurance, ie – Fixtures, Fittings, Employer, Public Liability, Professional Indemnity etc</p>	<p>BoT</p> <p>LGB</p> <p>HT</p>
	Technology risk	Information security risk	3	4	Treat	Every academy has an ICT strategy, policy and procedures	HT/ CEO
		Virus risk, corruption of data risk	3	4	Treat	<p>Business continuity plan includes ICT</p> <p>3 year IT plan</p>	
		IT systems out of date, no longer supported	3	3	Treat	Anti virus on all computers	



Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
2. Public Profile Risk	Expenditure risk	Management and administration costs are perceived by the public to be too high	3	3	Treat	Regular review, awareness of the sector	BoT
		Senior members of the Trust are seen by the public to be paid high salaries	2	3	Treat	Policy for Executive Pay in place	
		Reserves level risk – Trust and/or academies seen to be holding reserves and not spending enough on current resources	3	2	Tolerate	Regular review of reserves	CFO/ FC

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible
	OFSTED	Risk that the Trust or an academy receives an unfavourable OFSTED report	3	5	Treat	Peer Reviews Data collections External Moderation CEO Visits	STAN CEO LGB/HT
	Fraud risk	Fraud discovered at the Trust or any academy attracts poor publicity	3	5	Treat	Regular review  Internal/ external audit checks  Financial regulations adhered to by Trust and academies	BoT  LGB
	Failure to comply with legislation risk	Failure to comply with Health and Safety Legislation results in an employee / volunteer/ pupil attracting bad publicity	3	5	Treat	H&S policy reviews  H&S inspections	BoT
		Failure to comply with employment law e.g. unfair dismissal of employees	3	5	Treat	Use of competent health and safety consultant  Use of professional HR advice	HT/ LGB
		Failure to comply with Equality Legislation results in an employee / volunteer/ pupil attracting bad publicity	3	5	Treat	Use of HR professional	
	Litigation risk	Trust or any academy is	2	5	Treat	Experienced legal advisors	BoT

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
		involved with litigation					
4.DEALT  Organisational risk	Delegation risk	Committees not established with delegated authority	4	5	Treat	In place and schemes of delegation are understood	B oT
		Committee terms of reference not consistent or adequate or flexible	2	3	Treat	Terms of Reference in place and regularly reviewed	
		Directors delegate too little or too much to the CEO, CFO and LGB	3	4	Treat	Schemes of delegation are adopted and followed	
	Key member of staff absence risk- CEO CFO	Directors do not ensure rigorous monitoring is undertaken in the absence of a key member of staff	2	4	Treat	Ensure adequate cover and expertise can be provided Trustee contingency plan	BoT

## 4.0 Financial Risks

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
1. Overall Financial control risk	Budget Risk	Risk that budget cannot be prepared in accordance with DfE timetable	2	2	Treat	Financial Regulations Manual Careful planning of reserves	FC CFO
		Risk that an academy budget will be in deficit	3	4	Treat	Budget monitoring	LGB
		Errors in accounts caused by inadequately skilled or experienced finance staff	3	4	Treat	BoD approves academy budgets Training required and regularly reviewed	
					Treat	Good experienced team of bursars and Business Managers in academies.	
	Reconciliation Risk	Risk that the bank reconciliations and other key reconciliations are not completed and reviewed	3	3	Treat/Transfer	Financial Regulations Manual	FC CFO
Failure to ensure a robust	Risk that DEALT committees fail to operate	3	4	Treat	Effective Terms of Reference that are regularly reviewed	BoD	

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
	organisational approach to financial Governance	Risk that delegation to LGBs is poor	2	5		Effective Schemes of Delegation that are regularly reviewed	BoD
2. Financial systems risk	Systems suitability risk	Risk that financial systems are not suitable for the Trust and academy's needs	3	5	Treat	Regular Bursar meetings Review system with accountant Regular meetings with supplier	FC CFO
	Maintenance risk	Risk that financial systems will not be maintained by the provider in the long-term	1	4	Tolerate	Use of a reputable provider and system	CFO
	Disaster risk	Risk that financial information cannot be recovered in the event of a disaster e.g. fire, theft, vandalism	1	4	Treat	In the business continuity plan Regular back ups	CFO
	Access risk	Risk of unauthorized access to financial systems	1	4	Treat	Financial Control in Handbook	CFO
	Failure to have procedures in place to cover the CFO	Financial risk Reputational risk Risk of poor moral effecting staff Risk of the day to day operation	2	5	Treat	Clear guidance of senior staff roles Clear cover arrangements Regular staff meetings Clear guidance of senior staff roles including clear cover arrangements	BoT

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
	Cut off risk	Risk that income is accounted for in the wrong accounting period	3	2	Treat	Financial Regulations Manual  Regular Finance visits to academies  Monthly management accounts	FC
	Fraud risk	Risk that funds are misappropriated	3	4	Treat	Monthly management accounts  Financial Regulations Manual  Regular Bursar meetings  Internal and external audit procedures	FC

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
4. Expenditure risk	Authorisation risk	Risk that expenditure is not authorised	3	3	Treat	Financial Regulations Manual Internal and external audit procedures	CFO HT
	Price risk	Risk that best prices are not obtained on purchases or services	3	2	Treat	Purchasing and Competitive Tendering Policy	FC CFO Bursars
	Fraud risk	False invoice and payment risk, funds are misappropriated	3	4	Treat	Financial Regulations Manual Regular BM/Bursar meetings Internal and external audit procedures Credit card protection Suitable insurance	BoT LGB
5. Treasury risk	Cash flow risk	Risks that cash flow requirements are not forecast	3	4	Treat	Financial Regulations Manual Regular BM/Bursar visits to academies	FC CFO
		Risk that cash is all tied up in investments and insufficient readily available cash is insufficient to meet short-term cash flow needs	1	4	Tolerate	Review any investments regularly	

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
6. Building and facility risk	Poor maintenance risk	Risk that the academy facilities have not been maintained appropriately	3	4	Treat	Each academy has a programme of planned maintenance  Each Academy has capital money	LGB
		Risk that academies are not aware of their obligations	2	4			
	Unpredictable or other sudden	Risk that there is a sudden failure, such as a boiler or	3	5	Treat		



Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
	failure	roof failure				<p>A comprehensive insurance programme is in place</p> <p>Each academy is aware of the process for the Capital Improvement Fund – Emergency Funding Applications</p>	CFO

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Committee responsible for action
7. Debtors risk	Recoverability risk	Risk that debts are not recovered	2	2	Treat	Financial Regulations Manual Debt recovery policy	CFO LGB
		Risk that provision for doubtful debts is overstated or understated	2	2	Tolerate	Regular Finance Officer visits to academies	
8. Related party risk	Identification risk	Risk that related party transactions and transactions with connected persons are not identified	3	2	Tolerate	Financial Regulations Manual  Register of Business Interests is kept up to date  External audit	FC CFO LGB

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
	Disclosure risk	Risk that related party transactions are not correctly or fully disclosed in the financial statements	2	2	Tolerate	Auditor and Accountant advice	BoT
9. Funds risk	Level of funds	Risk that fund levels are too high or too low  Risk that unrestricted funds are in deficit and restricted funds are in surplus	2	3	Treat	Monthly budget reports	FC LGB
10. Pension risk	Funding risk	Risk that scheme is in significant deficit	2	2	Tolerate	Accountant's advice  External audit	B o T
	Contribution risk	Risk that employees contribution rate increases  Risk that the Trust or any academy is not making the correct contributions	3  2	3  5	Tolerate  Treat	Careful budget management Appropriate levels of reserves  External audit	B o T

## Compliance

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
1. Employee Legislation risk	Employment laws risk	Risk that legislative requirements are not known or complied with	2	4	Treat	Regular advice from HR professional	B o T CEO CFO LGB HT
		Discrimination risk	2	4	Treat	HR policies adopted and followed consistently	
		Data protection risk	3	4	Treat	Apply Data protection policy and ICO registration	
		Human rights risk	2	3	Treat		
		Equal opportunities risk	2	4	Treat	Equal Opportunities Policy	
		Contract risk	2	3	Transfer	Ensure contracts are fit for purpose and used by all academies	
	Health and Safety risk	Risk that legislative requirements are not known or complied with	2	3	Treat	Seek advice from a Health and Safety professional  Ensure health and safety policy is regularly reviewed	BoT CEO LGB HT

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
3. Financial risk	Statutory accounts risk	Risk that legislative requirements are not known or complied with	3	4	Treat	Financial Regulations Manual  Regular Finance Officer visits to academies  Regular updates and comprehensive support from experienced accountants	FC CFO
	Accounting standards risk	Risk that legislative requirements are not known or complied with	3	4	Treat	Regular updates and comprehensive support from experienced accountants	CFO
	EFA risk	Not complying with the "Musts" in the Academies Financial Management Handbook	3	5	Treat	Financial Regulations Manual  Comprehensive support from experienced accountants	FC CFO LGB
4. Charities Legislation risk		Risk that legislative requirements are not known or complied with	4	4	Treat	Source and provide training for academy staff	BoT LGB
		Risk that Directors are not aware of the legislative requirements of being on the	3	3	Treat	Source and provide training for Directors. Disseminate guidance to academies	BoT

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
5. Tax legislation risk	VAT/ PAYE/ NI risk	Risk that legislative requirements are not known or complied with	2	2	Treat	Financial Regulations Manual  Regular updates from the accountants  VAT policy  Reputable payroll provider who deals with requirements correctly	FC CFO
6. Data Protection Act risk	Data risk	Risk that legislative requirements are not known or complied with	2	2	Treat	Data Protection Policy  Legal support	CFO CEO
7. Welfare compliance risk	Disability risk	Risk that legislative requirements are not known or complied with	2	2	Treat	Source and provide training for Trustees. Disseminate guidance to academies.	CEO HT
	Child protection risk	Risk that legislative requirements are not known or complied with	1	4	Treat	Strict adherence to safeguarding policy.	CEO HT

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Committee responsible for action
	Central Government Policy changes	Risk that Central Government changes policy to return academies back to local authority control	2	5	Treat	Manage reserves Monitor	BoD
8. Freedom of Information Risk	FOI risk	Risk that legislative requirements are not known or complied with	2	2	Treat	Freedom of Information Policy Legal support	CEO

## 6.0 Operational risks

Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
		HR policies are not adopted or appropriate/legal	3	5	Treat	HR support  Clarify TUPE rules to all transferring staff	BoT CEO
	Staff risk	Low moral risk	3	3	Treat	Monitor and report	CEO LGB HT
		Retention risk	3	3	Treat	Monitor and report	
		Recruitment risk (recruiting someone unsuitable to work with children)	2	5	Treat	Recruitment and selection policy	
		Academies not making use of HR professionals, may lead to tribunals	3	3	Treat	Clear communication of HR Advice service	



Category	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
	Recruitment of experienced and skill based Trustees and Governing Body members	Risk of insufficient educational knowledge of the Trustees and LGBs	3	4	Treat	Profile of skills required against those offered by potential Trustees and LGB	BoT CEO
		Risk that the Trustees and members of LGB fail to honour their obligations leading to poor availability and attendance at meetings	2	3	Treat	Independent Clerks to the Local Governing Bodies  Trustee and Local Governing Body training and induction  Register of Business interests	
		Risk that the Trustees and members of LGB do not act solely for the interests of the academy	2	3	Treat		

7.0 Safeguarding	Sub-Category	Specific	Likelihood Occurring (1=Low 5 = High)	Impact Occurs (1=Low 5 = High)	Response	Control Procedure	Who is responsible?
1. People	Unsuitable people working with children	<p>Inadequate controls in place</p> <p>Risk that the legislative requirements relating to disability and safeguarding are not known or complied with</p> <p>Risk that the legislative requirements of the Child Protection Act and associated legislation are not known and complied with</p>	1 1 1	4 4 4	Tolerate	<p>Safeguarding policy</p> <p>DBS process</p> <p>Visitors policy</p> <p>Recruitment and selection policy</p> <p>Educational visits policy</p> <p>Interview panels must have at least one person strained in safer recruitment</p>	CEO HT
2. Places	Buildings are unsafe for occupation	Lack of health and safety controls	1	4	Treat	<p>Risk assessments in place</p> <p>Health and Safety policy</p> <p>Health and Safety Audit completed</p> <p>Statutory testing</p> <p>Professional advice</p>	CEO LGB HT