LEARN SHEFFIELD

RISK REGISTER

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| **Person Responsible for Policy:** | Stephen Betts |
| **Date Approved by Directors** | 11.1.17 (Proposed) |
| **Date of Last Review:** | 13.10.16 |
| **Next Review Due:** | April 2016 |

Please Note - Changes made since last review are highlighted for consideration

**Strategic and Reputational Risks**

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| **Category** | **Sub category** | **Specific** | **(5=high,1=low)** | **Response: Transfer, tolerate, treat, or terminate.** | **Control procedures and****target date** | **Person(s) responsible for action** | **Date of****next review** |
| **Likelihood****of occurring**  | **Impact****if occurs**  |
| Strategic Risk | Charitableobjects risk | LS is not operating withinits objects | 1 | 5 | Treat | Half termly Directors | Directors | Ongoing |
| Competitionrisk | Other organisations competingfor the same sources of income | 2 | 3 | Tolerate | Regularly review reporting system | CEO | Ongoing |
| Insurance risk | Risk of financial loss/inability to replace items if LS doesnot have adequate insurance cover | 1 | 5 | Treat | Annually review and investigate insurance cover | Directors, Business Lead | Annual |
| Natural disasterrisk | Risk of the impact an uncontrollable event will have on LS e.g. fire, flood | 1 | 5 | Treat | Emergency & critical incident plan in place, adequate insurance | Directors, CEO, Business Lead | Annual |
| Technology risk | Information security risk | 2 | 4 | Treat | Regularly check and update security settings | Business & ICT lead | Ongoing |
| Virus risk / corruption of datarisk | 2 | 4 | Treat | Regularly update anti-virus software, use data storage devices provided by LS | ICT & Business Lead | Ongoing |
| Public Profile risk | Directors profile risk | Directors have a high public profile and may cause LS to attract publicity | 3 | 3 | Treat | Recruitment & application process, CVs, DBS | Directors | Ongoing |
| Fraud risk | Fraud discovered at LSattracts bad publicity | 1 | 3 | Treat | Internal controls, independent auditors, audit committee | Directors | Ongoing |
| Failure tocomply with legislation risk | Failure to comply with Healthand Safety legislation results in an employee / volunteer / beneficiary of LS being injured at work, attracting bad publicity | 2 | 5 | Treat | Policy, training, independent audit & risk assessments | Directors & Business Lead | Annual |
| Failure tocomply with legislation risk (cont’d) | Failure to comply withemployment law- e.g. unfair dismissal of an employee - attracts adverse publicity | 2 | 4 | Treat | Purchase HR and legal advice | Directors / CEO | Annual |
| Litigation risk | LS is involved in litigation | 1 | 1 | Treat | Appropriate legal advice | Directors | Ongoing |

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| Directors organisation risk | CEO / Senior staff absence risk | Directors do not ensurerigorous monitoring is undertaken in the absence of the CEO / Senior Staff | 3 | 5 | Treat | Temporary appointments to be made. Use strategic partnerships to add capacity. The  | Directors | Ongoing |

**Operational Risks**

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| Management information risk | Quality risk | Risk that information produced is not accurate or not in a format suitable for monitoring performance. | 1 | 4 | Treat | Regularly review reporting system | Directors | Annual |
| Financial Viability | Failure to achieve income targets | Failure to achieve income targets | 2 | 5 | Treat | Regularly review reporting system | Directors | Ongoing |
| Expenditure  | Failure to keep expenditure within agreed budgets. | 1 | 5 | Treat | Regularly review reporting system | Directors | Ongoing |
| Significant Working relationships | Sheffield City Council | Risk that a failure to maintain a good working relationship limits engagement.  | 3 | 4 | Treat | Good communication with a widening range of stakeholders | CEO | Ongoing |
| School Sector | Risk that limited engagement has a negative impact on performance. | 2 | 5 | Treat | Regular monitoring, extensive KIT meetings | CEO | Ongoing |
| Regional/ National  | Risk that a failure to develop good working relationships limits growth and impact. | 2 | 3 | Treat | Regular KIT meetings and increased content of discussion | CEO | Ongoing |
| Human resource risk | Director risk | Lack of availability/poorattendance at meetings | 2 | 3 | Treat | Stated policy | Directors | Annual |
| Directors do not act solely in the interests of LS but for their business/other interests etc. | 2 | 2 | Treat | Register of business interests reviewed at each meeting | Directors | Annual |
| Management risk | Senior management capability/ experience of risk | 1 | 5 | Treat | Rigorous recruitingprocess/ active appraisal | Directors | Annual |
| Staff risk | Low morale risk | 2 | 4 | Treat | Performancemanagement, good communication, leadership, regular staff meetings | CEO | Ongoing |
| Recruitment risk  | 1 | 3 | Treat | Recruitment process | CEO | Ongoing |
| Health & Safety risk | Staff fatality / injury | 1 | 5 | Treat | Health & Safety policy | Directors, CEO | Ongoing |
| Fatality / injury to third party | 1 | 5 | Treat | Regular review of H&S policies and procedures, external H&S audit Bereavement policy | Directors, CEO | Ongoing |
| Other third party risk | 1 | 5 | Treat | Regular review of H&S policies and procedures, external H&S audit | Directors, CEO | Ongoing |
| Supplier risk | Supplierselection risk | Supplier financial viability | 1 | 5 | Treat | Procurement to be done as per scheme of delegation | Business Lead | Ongoing |
| Delivery risk | 1 | 5 | Treat | Procurement to be done as per scheme of delegation | Business Lead | Ongoing |
| Quality risk | 1 | 5 | Treat | Procurement to be done as per scheme of delegation | Business Lead | Ongoing |
| Value for money risk | Purchase price risk | 1 | 3 | Treat | Finance policy | Business Lead | Ongoing |
| Efficiency risk | 1 | 3 | Treat | Finance policy | Business Lead | Ongoing |

**Compliance Risks**

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| **Likelihood****of occurring**  | **Impact****if occurs**  |
| Employee legislation risk | Employment laws risk | Risk that legislative requirements are not known or complied with | 3 | 4 | Treat | Procure high quality HR & legal advice to ensure complianceHealth & Safety PolicyFirst Aid PolicyFire Safety Policy | Directors, CEO, Business Lead | Ongoing |
| Discrimination risk | 2 | 3 | Treat | Directors, CEO, Business Lead | Ongoing |
| Data Protection risk | 2 | 3 | Treat | Directors, CEO, Business Lead | Ongoing |
| Human Rights risk | 2 | 3 | Treat | Directors, CEO, Business Lead | Ongoing |
| Equal opportunities risk | 2 | 3 | Treat | Directors, CEO, Business Lead | Ongoing |
| Contract risk | 2 | 3 | Treat | Directors, CEO, Business Lead | Ongoing |
| Pension risk | Risk that legislativerequirements are not known or complied with | 1 | 4 | Treat | Procure high quality HR, Payroll & legal advice to ensure compliance | Directors, CEO, Business Lead | Ongoing |
| Health & Safety risk | Risk that legislative requirements are not known or complied with | 1 | 4 | Treat | Procure high quality HR & legal advice to ensure compliance.  | Directors, CEO, Business Lead | Ongoing |
| Financial reporting risk | Statutoryaccounts risk | Risk that legislativerequirements are not known or complied with | 1 | 4 | Treat | Appoint accountantsMonthly Management Accounts;Budget monitoring;LS Finance policies and procedures;Effective Internal and External Audit;3 year financial forecasts | Directors, Business Lead | Ongoing |
| Accountingstandards risk | Risk that legislativerequirements are not known or complied with | 1 | 4 | Treat | Directors, Business Lead | Ongoing |
| SORPcompliance risk | Risk that legislativerequirements are not known or complied with | 1 | 4 | Treat | Directors, Business Lead | Ongoing |
| Environmental legislation risk |  | Risk that UK legislative requirements are not known or complied with;Risk that EU legislative requirements are not known or complied with | 1 | 1 | Treat | Regular reporting Utilisation of sustainability policies (as Landlord of building) | Business Lead | Ongoing |
| Tax legislation risk | VAT/PAYE/NIrisk | Risk that legislativerequirements are not known or complied with | 1 | 4 | Treat | Appoint accountants | Directors, Business Lead | Ongoing |
| Data Protection Act risk |  | Risk that legislativerequirements are not known or complied with | 1 | 4 | Treat | Procure high quality HR & legal advice to ensure compliance | Directors, Business Lead | Ongoing |
| Welfare Compliance risk | Disability risk | Risk that legislativerequirements are not known or complied with | 1 | 4 | Treat | Procure high quality HR & legal advice to ensure compliance | Directors, Business Lead | Ongoing |
| Local Authority and Central Government risk | Grant criteria risk | Grant terms and conditions arenot complied with | 1 | 3 | Treat | Internal & External audits | Directors, Business Lead | Ongoing |
| Licensing risk | Risk that legislativerequirements are not known or complied with | 1 | 3 | Treat | Internal & External audits | Directors, Business Lead | Ongoing |

**Financial Risks**

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| Overall financial control risk | Budget risk | Risk that budget cannot be prepared in a timely manner | 2 | 2 | Treat | Regular reporting and monitoring by CEO, Business Lead, Directors Awareness of Financial Regulations | CEO, Business Lead | Ongoing |
| Risk that actual performance isnot measured against budget on a regular basis | 1 | 3 | Treat | CEO, Business Lead | Ongoing |
| Reconciliation risk | Risk that bank reconciliations /other key reconciliations are not completed and reviewed | 1 | 3 | Treat | Strict month end and year end accounts timetable;Financial Regulations; Internal Controls;Internal & External Audit | CEO, Business Lead | Ongoing |
| Financial Systems risk | Disaster risk | Risk that financial information cannot be recovered in the event of a disaster (eg fire, theft, vandalism) | 1 | 4 | Treat | Disaster Recovery Plan Business Continuity PlanRisk Assessment Policy and Procedures Availability of other sites as back up;Off-site back-up and storage  | Business Lead  | Ongoing |
| Access risk | Risk of unauthorised access to financial systems | 1 | 4 | Treat | Disaster Recovery PlanOff-site back-up and storage | Business Lead | Ongoing |
| Income Risk | Completeness risk | Invoices not raised for all transactions | 2 | 3 | Treat | Effective Credit ControlMonthly Management accountsBudget Monitoring | Directors, Business Lead | Ongoing |
| Restricted income risk | Income is not identified as restricted on receipt | 2 | 2 | Treat | Directors, Business Lead | Ongoing |
| Fraud risk | Risk that donations are misappropriated | 2 | 3 | Treat | Directors, Business Lead | Ongoing |
| Expenditure risk | Authorisation risk | Risk that expenditure is not authorised | 2 | 3 | Treat | Finance policyMonthly Management Accounts;Reports to Directors / GBBudget Monitoring;Awareness of Financial regulations;Internal & External Audit | Business Lead | Ongoing |
| Allocation risk | Risk that expenditure is not allocated correctly under SOFA headings | 2 | 3 | Treat | Business Lead | Ongoing |
| Fraud risk | False invoice / payment risk | 2 | 3 | Treat | Business Lead | Ongoing |
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| Fixed asset risk | Capital construction risk | Risk that assets built by contractors do not meet specifications, or actual cost exceeds budget | 2 | 4 | Treat | Project management, reputable contractors | Directors | Ongoing |
| Fraud risk | Risk that assets are misappropriated | 1 | 4 | Treat | Asset register, policy for use of LS assets | Directors | Ongoing |
| Investment risk | Return risk | Risk that the return on investments is not being maximised | 1 | 3 | Treat | Not relevant currently, however regular review | Directors |  |
| Stock risk | Fraud risk | Risk that stock is misappropriated | 1 | 3 | Treat | Fixed asset registerFinancial regulations | Directors, Business Lead | Ongoing |
| Debtors risk | Recoverability risk | Risk that debts are not recovered | 1 | 2 | Tolerate | Monthly monitoringInternal / External Audit | Directors, Business Lead | Ongoing |
| Completeness risk | Risk that debtors record is not completed | 1 | 3 | Tolerate | Directors, Business Lead | Ongoing |
| Taxation risk | Change in legislation risk | Risk that charity is not aware of changes in legislation | 1 | 2 | Treat | Appoint accountants | Business Lead |  |
| Funds risk | Level of funds | Risk that fund levels are too high / low | 1 | 3 | Treat | Regularly monitor / review balancesInternal controlsFinancial Policy | Directors | Ongoing |
| Risk that unrestricted funds are in deficit and restricted funds are in surplus | 1 | 3 | Treat | Directors | Ongoing |
| Pension risk | Funding risk | Risk that scheme is in significant deficit | 5 | 3 | Tolerate | Known / accepted by DirectorsPension scheme auditHR / Payroll provider & support purchased | Directors, Business Lead | Ongoing |
| Contribution risk | Risk that employers contribution rate increases | 5 | 4 | Tolerate | Directors, Business Lead | Ongoing |
| Risk that LS is not making the correct contributions | 1 | 4 | Treat | Directors, Business Lead | Ongoing |