

# Risk Management Policy

## **Purpose**

All organisations face risks associated with the occurrence, or non-occurrence, of events which are beyond the organisation's control and which could cause loss or damage to property, personnel, reputation and/or the ability to deliver services and achieve strategic objectives. Risk management is the process by which these risks are identified and managed.

This policy sets out the key principles underpinning the school's approach to risk management; documents roles and responsibilities; outlines key aspects of the risk management process and identifies reporting procedures.

## **Key principles**

The school considers that effective risk management lies in good organisational practice, supported by effective management and good governance.

Key risk indicators will be identified and evaluated on a regular basis, giving consideration to both the probability of occurrence and the potential impact on the school, and effective controls will be put in place to ensure that these are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated.

The school will make conservative and prudent recognition and disclosure of both financial and non-financial implications of identified risks.

## **Roles and Responsibilities**

### **Trustees**

The Trustee Board is responsible for making a statement on risk management in the annual accounts of the academy Trust. In order to make the required statement with reasonable confidence they should ensure that:

- The identification, assessment and mitigation of risk is linked to the achievement of the school's vision and strategic priorities, as set out in the School Improvement Plan
- The process covers all areas of risk (e.g. governance and management, operational financial, reputational and external factors) and is focussed primarily on major risks
- The process results in a risk exposure profile that reflects the Trustees views as to levels of acceptable risk. The Trustee board will review the risk register at least annually
- The principal results of risk identification are reviewed, evaluated and managed by the Trustee Board based on advice provided to it by the Resources Committee. Other committees may also input into the management of risk at the discretion of the Board
- The process of risk management is on-going and embedded in the management and operational procedure

### **Senior Team**

The Headteacher, with the school leadership team has responsibility for ensuring that the risk management policy is implemented and for co-ordinating risk management activity

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across the school. The Headteacher will provide an annual report on risk management to the Trustee Board, which gives assurance to the Trustee Board that:

- Risks have been correctly identified and evaluated
- Key risks are being managed appropriately
- Control measures and other responses to risks are operating effectively
- Management is properly reporting the status of key risks and controls.

### Procedure

#### **Risk Identification**

Risk identification should be an inclusive process, as it is the staff involved with the school's day to day operations who will best understand the risks faced, and their actions and communication will be key to the management of those risks.

The risk identification process should incorporate strategic and operational risks and should address all risks related to governance and management, operational, financial, reputational and external factors. Consideration to contingency and business continuity planning must be given.

#### **Risk Assessment**

Each risk should be assessed and rated in terms of the probability of occurrence and potential impact on the school, taking into consideration the control measures already in place to manage the risk. The risk should then be categorised from low to high.

			IMPACT		
			Low	Med	High
			1	2	3
PROBABILITY	Low	1	1	2	3
	Med	2	2	4	6
	High	3	3	6	9

<b>The descriptor</b>	for high, medium and low impact and probability can be expanded as follows:	
<b>Impact of risk occurring</b>		
<b>Impact</b>	<b>Description</b>	
Low - 1	The financial impact is likely to be low [below £5,000 and £24,000] Has a low impact on strategy or on teaching and learning Low stakeholder concern Is unlikely to cause any reputational damage to the school	
Medium - 2	The financial impact will be moderate [between £25,000 and £49,000] Has no more than a moderate impact on strategy or on teaching and learning Moderate stakeholder concern Can cause moderate reputational damage to the school	
High - 3	The financial impact will be significant [in excess of £50,000] Has a significant impact on the school's strategy or on teaching and learning Has significant stakeholder concern Can cause significant reputational damage to the school	
<b>Probability of risk occurring</b>		
<b>Probability</b>	<b>Description</b>	<b>Indicator</b>
Low - 1	Not likely to occur within a 4 year time period or less than 5% chance of occurrence	Has not occurred Is not likely to occur
Medium - 2	Likely to occur within a 4 year time period or less than 25% chance of occurring within the next 12 months	Could occur more than once within a 4 year period Some history of occurrence
High - 3	Likely to occur each year, or more than 25% chance of occurrence within the next 12 months	Potential of it occurring several times within a 4 year period Has occurred recently

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## **Risk Management and the Risk Register**

Once identified and assessed any risks requiring treatment should be recorded in a risk register.

The actions required to produce an acceptable control system to manage these risks will be identified and documented. Three types of action are available:

- **Reduce the probability and/or impact of the risk**  
Control measures may be introduced to make it less likely for the risk to become a reality, or to limit the extent of any detriment to the school. It is important that such measures are reasonable, taking account of affordability, value for money and impact on outcomes for children.
- **Transfer the risk**  
Insurance is a means of transferring those risks that the school cannot eliminate and does not wish to accept. However, while it limits the level of exposure to risk it is not a substitute for active risk management. Insurance premiums can be minimised by effective risk management interventions to reduce risks.
- **Terminate the activity that gives rise to the risk**  
This would only be appropriate in extreme cases where, even with all possible controls in place, the risk of continuing the activity outweighs the benefits that would be achieved through it.

Clear responsibilities should be allocated to all proposed actions, along with a deadline for the action to be completed and a scheduled date for review.

Any risks that are assessed as having a high impact or a high probability will be considered in more detail and may be included within the school's Business Continuity Plan.

## **Monitoring and Review**

The risk register will be reviewed regularly by the senior leadership team. The Trustee Board will review the risk register at least annually and ensure that risks are identified and appropriate controls and responses are in place and that:

- New or escalating risks are identified and managed
- Planned actions are carried out in line with agreed timescales
- The risk register is updated as risks change over time and
- Early signs of developing risks are identified and appropriate action taken.

The Trustee Board will review this policy at least every two years and assess its implementation and overall effectiveness.

Approved by the Trustee Board on:	13 July 2021
Planned Review Date:	July 2023