

# SHIELD ROAD PRIMARY SCHOOL



## RISK MANAGEMENT POLICY

<b>Author/Person Responsible</b>	<b>Headteacher/Chair of Governors</b>
<b>Date of Ratification</b>	<b>12<sup>th</sup> October 2022</b>
<b>Review Group</b>	<b>Full Governing Body</b>
<b>Ratification Group</b>	<b>Full Governing Body</b>
<b>Review Frequency</b>	<b>Every three years</b>
<b>Review Date</b>	<b>12<sup>th</sup> October 2025</b>
<b>Previous Review Amendments/Notes</b>	<b>3<sup>rd</sup> July 2019</b>
<b>Related Policies</b>	Whistle Blowing; Code of Conduct; Code of Conduct for Governors; Data Protection Policy;
<b>Chair of Governor's Signature</b>	

## **Purpose**

This Risk Management Policy forms part of Shield Road Primary School's internal control and corporate governance arrangements.

The policy explains our underlying approach to risk management, documents the roles and responsibilities of the Governing Body, the Audit Committee, the Executive Board, and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures. In addition, it describes the process the Governing Body will use to evaluate the effectiveness of the School's internal control procedures.

## **Underlying Approach to Risk Management**

The following key principles outline our approach to risk management and internal control:

- the Governing Body has responsibility for overseeing risk management within the institution as a whole;
- an open and receptive approach to solving risk problems is adopted by the Governing Body;
- the Director and the members of Executive Board support, advise and implement policies approved by the Governing Body or those committees with delegated powers;
- the School makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks. Each paper to the Governing Body is required to include a section on any key risks in relation to the proposal;
- all staff are responsible for encouraging good risk management practice within their department.
- key risk indicators will be identified and closely monitored on a termly basis by the Governing Body and Finance Committee.

## **Role of the Governing Body**

The Governing Body has a fundamental role to play in the management of risk. Its role is to:

- a) Set the tone and influence the culture of risk management within the School. This includes:
  - determining whether the School is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue;
  - determining what types of risk are acceptable and which are not;
  - setting the standards and expectations of staff with respect to conduct and probity.
- b) Determine the appropriate risk appetite or level of exposure for the School.
- c) Approve major decisions affecting the School's risk profile or exposure.
- d) Monitor the management of significant risks to reduce the likelihood of unwelcome surprises.

- e) Satisfy itself that the less significant risks are being actively managed with the appropriate controls in place and working effectively.
- f) Annually review the School's approach to risk management and approve changes or improvements to key elements of its processes and procedures.
- g) Delegate the Finance Committee to review the School's risk register each term.

### **Role of the Finance Committee**

The key roles of the Finance Committee, acting on behalf of the Governing Body, are to:

- Review and evaluate the key risks identified.
- Review the School's Risk Register on a termly basis.
- Report annually to the Governing Body on the School's systems of internal control and Risk Register.
- Monitor the work of internal and external audit in respect of risk.

### **Risk Management as part of the System of Internal Control**

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the School to respond to a variety of operational, financial, and commercial risks. These elements include:

#### **Policies and Procedures**

Attached to significant risks are a series of policies that underpin the internal control process. The policies are agreed by the Governing Body, implemented and communicated by senior management to staff. Written procedures support the policies where appropriate.

#### **Termly Reporting**

Comprehensive termly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Governing Body and Finance Committee.

#### **Business Planning and Budgeting**

The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly.

#### **High Level Risk Framework (significant risks only)**

This framework helps to facilitate the identification, assessment and ongoing monitoring of risks significant to the School. The document is formally appraised annually by the Governing Body but emerging risks are added as required, and improvement actions and risk indicators are monitored by the Governing Body on a monthly basis and reported to the Finance Committee each term.

### **Heads of Departments Risk Frameworks**

Heads of Departments develop and use this framework to ensure that significant risks in their faculty or directorate are identified, assessed and monitored. The document is formally appraised each term but emerging risks are added as required, and improvement actions and risk indicators are monitored regularly by business units.

The School has developed a procedure for ensuring that the sub-registers are refreshed and reviewed each term and that their content is considered in the updated institutional risk register.

### **Audit Committee**

The Audit Committee is required to report to the Governing Body on internal controls and alert governors to any emerging issues. In addition, the committee oversees internal audit, external audit and management as required in its review of internal controls. The committee is therefore well-placed to provide advice to the board on the effectiveness of the internal control system, including the School's system for the management of risk. The Committee reviews the School's Risk Register each term.

### **Internal Audit**

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the School.

### **External Audit**

External audit provides feedback to the Finance Committee 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 will be necessary in areas such as health and safety, and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system. Occasionally the School will be subject to audit from third parties, such as HEFCE, RCUK or the QAA, and these may provide some review of the School's risk arrangements

### **Annual Review of Effectiveness**

The Governing Body is responsible for reviewing the effectiveness of internal control of the School, based on information provided by the Executive Board. Its approach is outlined below.

For each significant risk identified, Governing Body will:

- review the previous year and examine the School's track record on risk management and internal control;
- consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.

In making its decision the Governing Body will consider the following aspects.

a) Control environment:

- the School's objectives and its financial and non-financial targets;

- organisational structure and calibre of the Executive Board;
- culture, approach, and resources with respect to the management of risk;
- delegation of authority;
- public reporting.

b) On-going identification and evaluation of significant risks:

- timely identification and assessment of significant risks;
- prioritisation of risks and the allocation of resources to address areas of high exposure.

c) Information and communication:

- quality and timeliness of information on significant risk;s
- time it takes for control breakdowns to be recognised or new risks to be identified.

d) Monitoring and corrective action:

- ability of the School to learn from its problems;
- commitment and speed with which corrective actions are implemented.

The Executive Board will prepare a report of its review of the effectiveness of the internal control system annually for consideration by the Governing Body.