Risk Management Policy

This policy is reviewed annually

History of Document	Issue No.	Author/Owner Date Written	Approved by Audit Committee	Comments
	Issue 1 Issue 2	J Carter/ 7th Dec 2016 J Warburton 3rd December 2018	Bolton & Farnworth CE Primary MAT Risk Management Policy	
	Issue 3	J Warburton 26 Nov 19	Audit & Risk Committee	
	Issue 4	J Warburton September 20	Trust Board	
	Issue 5	J Warburton September 21	Trust Board	
	Issue 6	J Warburton September 22	Trust Board	

Introduction

Risk may be defined as events or actions that can prevent an organisation from achieving its planned objectives, in part or in full. It is also the failure to take advantage of opportunities to help the organisation to achieve its objectives.

Risk Management is the process by which risks are identified, assessed, prioritised, managed and monitored. It is not about eliminating risk but about understanding it and managing it more effectively. It is about promoting a culture of risk awareness. It is part of the school's system of Internal Control.

This policy explains the school's approach to risk management, outlines key aspects of the process and identifies the main reporting procedures. Trustees use it to evaluate the effectiveness of the school's internal control procedures. The policy is reviewed annually by the Trust Board or Finance/Audit Committee.

1. Approach to Risk Management

2.1 The Multi Academy Board has overall responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the school's public and other funds and assets, in accordance with the Funding Agreement and the Academies Trust Handbook issued by the Education Funding Skills Agency (EFSA).

   a. There is an open and receptive approach to resolving risk issues.

2.3 The Finance & Audit Committee advises the Academy Trust Board on Risk Management.

2.4 The School makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.

2.5 All members of the Academy Board and the school's leadership team are responsible for encouraging and implementing good risk management practice within the School.

2.6 Early warning mechanisms are in place and monitored to alert the school to any risk events or near misses so that suitable remedial action can be taken.

3. Role of the Trustee Board/Finance & Audit Committee
3.1 To 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 which types of risk are acceptable and which are not.
   ❖ Setting the standards and expectations of staff with respect to conduct and
   ❖ probity.

3.2 To review major decisions affecting the school's risk profile or exposure.

3.3 To monitor the management of fundamental risks.

3.4 To be satisfied that the less fundamental risks are being actively managed,

with the appropriate level of controls in place and operating effectively.

3.5 To review annually the school's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

4. Role of the School's Senior Leadership Team

4.1 To embed risk management into the system of internal control.

4.2 To identify and evaluate the fundamental risks faced by the school for consideration by the Trustees/Finance & Audit Committee.

4.3 To provide adequate information in a timely manner to the Trustees and Finance & Audit Committee on the status of risks and controls.

4.4 To assist the Trustees/Finance & Audit Committee in undertaking an annual review of risk management and the effectiveness of the system of internal control.

5. System of Internal Control

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

5.1 Policies and Procedures
A series of policies underpin the internal control process. These policies are set by the Academy Board. Written procedures support the policies where appropriate.

5.2 Development Planning and Budgeting
The development planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting development plan objectives is monitored regularly.

5.3 Risk Management Register
This framework is agreed by the Trustees/Finance & Audit Committee and helps to identify, assess and monitor risks significant to the school. The risk management register is formally revised annually but emerging risks are added as required and improvement actions and risk indicators are monitored regularly.

5.4 Internal Audit
Every academy trust must have in place a process for independent checking of internal governance arrangements, financial controls, systems, transactions and risks. This function is currently delivered by Hallidays Accountants and Auditors and Redrambler Auditors.

5.5 External Audit
External audit informs the Audit Committee and the EFSA on the accuracy and regularity of the schools accounts. This function is currently delivered by Hallidays Accountants & Auditors

5.6 Third party Reports

From time to time, the use of external consultants may be appropriate 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.