



## RISK MANAGEMENT POLICY

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|----------------|------------|
| Last Review:   | March 2022 |
| Committee:     | FA         |
| Date Ratified: | 10/03/2022 |

### 1. Background

The Risk Management Strategy aims to ensure that Oldfield School complies with risk management best practice and sets out the current processes and responsibilities for risk management at Oldfield School.

#### 1.1. The requirements can be summarised as:

- The Governors acknowledge responsibility for the system of internal control
- An ongoing process is in place for identifying, evaluating and managing all significant risks
- An annual process is in place for reviewing the effectiveness of the system of internal control
- There is a system in place to deal with internal control aspects of any significant issues disclosed in the annual accounts

#### 1.2. In assessing what constitutes a sound system of internal control, consideration should be given to:

- The nature and extent of the risks facing the organisation
- The extent and categories of risk which it regards as acceptable
- The likelihood of the risks concerned materialising
- The organisation's ability to reduce the incidence and impact of the risks that do materialise

### 2. Risk Management objectives

The objectives for managing risk across the school are:

- To comply with risk management best practice;
- To ensure risks facing the school are identified and appropriately documented;
- To provide assurance to the Governors that risks are being adequately controlled, or identify areas for improvement;
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks.
- To ensure appropriate levels of awareness throughout the school.

## 2.1. Roles and responsibilities

The Senior Leadership Team (SLT) has overall responsibility for managing risk. This responsibility includes:

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks
- Reporting to the committee responsible for monitoring each risk and the Full Governing Body.

The Headteacher has lead responsibility for risk management processes and the school-wide Risk Register.

The Risk Register is formally reviewed at least three times a year by SLT. The Risk Register is an item on the agenda of committees with responsibility for monitoring each risk at each committee meeting, and they will monitor the identification and mitigation of risk within the school. The Risk Register is an item on the Full Governing Body once a year.

### Identification of risks

Risk identification should be approached in a methodical way to ensure that all significant activities have been identified and all the risks flowing from these activities have been defined.

The structure and organisation of the school's risk register seeks to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified.

## 2.2. Evaluation of risks

The Risk Management Standard states that risks should be evaluated against agreed criteria to make decisions about the significance of risks to the organisation.

The School uses a matrix to assess the likelihood and impact of risk as illustrated below:

### Probability statements – for all risk categories

| Probability     | Probability_Scale |
|-----------------|-------------------|
| Highly likely   | 5                 |
| Likely          | 4                 |
| Moderate chance | 3                 |
| Unlikely        | 2                 |
| Highly unlikely | 1                 |

### Proximity Statements – for all risk categories

| Proximity                        | Proximity_Scale |
|----------------------------------|-----------------|
| Immediate; daily/weekly          | 5               |
| Within this term                 | 4               |
| Within the next 3 terms          | 3               |
| At some point this year          | 2               |
| Potential occurrence in next 2-3 | 1               |

## Impact statements – per risk category

| Impact Scale | Financial  | Health & Safety and Safeguarding   | Outcomes  | Reputational   |
|--------------|--|--|---|--|
| 5            | The budget would not be able to withstand the demands resulting in significant changes to planned spending.  | Very significant and/or long term impact on safety and wellbeing of children and adults. | Very significant effect on outcomes and progress KPI's. | Very significant damage to reputation that is long term amongst multiple stakeholders. |
| 4            | The budget would not be able to withstand the demands resulting in some changes to planned spending required | Significant impact on safety and wellbeing of children and adults.                       | Significant effect on outcomes and progress KPI's.      | Significant damage to reputation but may be long term.                                 |
| 3            | The budget will be re-balanced by allocating funds from other areas with moderate impact on provision.       | Moderate impact on safety and wellbeing of children and adults.                          | Moderate effect on outcomes and progress KPI's.         | Significant damage to reputation but may be short term.                                |
| 2            | The demands can be covered from existing resources with little impact on provision.                          | Small impact on safety and wellbeing of children and adults.                             | Small effect on outcomes and progress KPI's.            | Small amount of damage to reputation can quickly be addressed.                         |
| 1            | The demands can be covered from existing resources with no impact on provision.                              | Negligible to no impact on safety and wellbeing of children and adults.                  | Negligible effect on outcomes and progress KPI's.       | Negligible damage to reputation.   |

### 2.3. Addressing risks

When responding to risks, the school will seek to ensure that it is managed and does not develop into an issue where the potential threat materialises.

The school will adopt one of the 4 risk responses outlined below:

|           |  |
|-----------|--|
| Terminate | Counter measures are put in place that will either stop a problem or threat occurring or prevent it from having an impact on the business  |
| Transfer  | The risk is transferred to a third party, for example through an insurance policy.   |
| Treat     | The response actions either reduce the likelihood of a risk developing, or limit the impact on the school to acceptable levels.  |
| Tolerate  | We accept the possibility that the event might occur, for example because the cost of the counter measures will outweigh the possible downside, or we believe there is only a remote probability of the event occurring. |

## 3. Risk Reporting and Communication

The aim of reporting risk is to provide assurance to the Governors, Senior Leadership and Auditors that the School is effectively managing its risks and has a robust system of internal controls.

### 3.1. Risk register

The reporting mechanism will be the school's Risk Register. This will highlight the key risks facing the School, as well as a breakdown for each key strategic aim.

Any significant changes in risk impact or probability, or the occurrence of an event which raises the profile of a risk will be recorded on the risk register as it occurs. Any new or increased risks identified by SLT, Governors or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register.

## **4.2 Communicating Risks**

SLT will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered and reported to the relevant committee, along with a summary of actions taken. The Risk Register is a live document and is made available to governors via Governorhub.

SLT will endeavour to raise awareness that risk management is a part of the school's culture and seek to ensure that:

- individual members of staff are aware of their accountability for individual risks
- individuals report promptly to senior leadership any perceived new risks or failure of existing control measures.

## **4.3 Role of internal audit**

The report from the internal auditors (One West) provides an assessment of the effectiveness of the school's management of risk. This is carried out on a periodic basis.