

SOUTH CHARNWOOD HIGH SCHOOL

'encouraging excellence, valuing people'



RISK MANAGEMENT POLICY

	DATE
Reviewed by the Finance, Audit and Risk Committee	10th March 2026
Adopted by the Full Trustee Board	16 th April 2026
Next review date	March 2029

1. Background

The Risk Management Policy aims to ensure that the school complies with risk management best practice and sets out the current processes and responsibilities for risk management in the school.

1.1. The requirements can be summarised as:

- The Trustee 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 report and 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
- Who will manage, control and monitor the risk

1.3. Risk Management best practice is encapsulated in the Risk Management Standard published jointly by the major risk management organisations in the UK – The Institute of Risk Management (IRM); The Association of Insurance and Risk Managers (AIRMIC); and ALARM, The National Forum for Risk Management in the Public Sector.

1.4. This policy is based on the following statutory and non-statutory guidance from the Department of Education:

- Academy Trust Handbook
- Academy Trust Risk Management

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 Trustees 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.

3. Risk Management strategy

This strategy aims to:

- Outline the roles and responsibilities for risk management.
- Identify risk management processes to ensure that all risks are appropriately identified, controlled and monitored
- Ensure appropriate levels of awareness throughout the school

3.1. Roles and responsibilities

The trustees will take overall responsibility for risk management, including contingency and continuity planning. They will have oversight of the risk register and appoint trustees to sit on the school's Finance, Audit and risk Committee.

The Senior Leadership Team (SLT) has responsibility for managing risk on a day to day basis. The Business Manager has lead responsibility for risk management processes and the school-wide Risk Register. This responsibility includes:

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks
- Identify and report risks to the Finance, Audit and Risk Committee.

The audit and risk committee is responsible for directing the academy trust's programme of internal scrutiny. The internal scrutiny function must focus on evaluating the suitability of, and level of compliance with, financial and non-financial controls, offering advice and insight to the board on how to address weaknesses in financial and non-financial controls and ensuring all categories of risk are being adequately identified, reported, and managed. The risk register also facilitates a rational risk-based approach for the internal scrutiny function's work programme and the risk register must be used as a reference point, as required by the Academy Financial Handbook.

The Risk Register is formally reviewed each term by the Business Manager. The Risk Register is a standing item on the Finance and Audit Committee's agenda and they will monitor the identification and mitigation of risk within the school. The Finance, Audit and Risk Committee's review of the Risk Register forms part of that Committee's report to the Full Board of Trustees.

3.2. Identification of risks

The Risk Management Standard states that 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.

Our approach to risk management is linked to six key aims:

- Aspire, Accomplish, Achieve
- Outstanding staff, leadership and management
- Outstanding infrastructure
- Financial strength
- Inspiring and supportive culture
- Strong community and partnerships

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.

3.3. 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 assesses the impact and likelihood as high, medium or low, and scores 1 to 5, High being the highest and 1 being the lowest.

The **descriptors** for highest, high, medium, low and lowest impact and probability can be expanded as follows:

Impact of risk occurring

Score 1 - Lowest Risk (Very little consequences/costs)

Score 2 - Low Risk (Small effect)

Score 3 - Medium Impact (Significant consequences)

Score 4 - High Impact (Serious consequences)

Score 5 - Highest Impact (Critical)

Likelihood of risk occurring

- Score 1 - Lowest Risk (Unlikely to happen)
- Score 2 - Low Risk (Small Chance of it may happen)
- Score 3 - Medium Risk (Possible it may happen)
- Score 4 - High Risk (Probable it may happen)
- Score 5 - Highest Risk (Likely to happen)

3.4. Risk appetite

The term risk appetite describes the school's readiness to accept risks and those risks it would seek to reduce. The school will actively seek to manage risks and will prioritise time and resources to reducing, avoiding or mitigating these risks.

3.5. 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 control measures outlined below:

- **Tolerating** - risk is where no action is taken. This may be because the cost of instituting controls is not cost-effective or the risk or impact is so low that they are considered acceptable.
- **Treating** - risk involves controlling it with actions to minimise the likelihood of occurrence or impact. There may also be contingency measures to reduce impact if it does occur.
- **Transferring** - risk may involve the use of insurance or payment to third parties willing to take on the risk themselves (for instance, through outsourcing).
- **Terminating** - risk can be done by altering an inherently risky process to remove the risk. If this can be done without materially affecting operations, then removal should be considered, rather than attempting to treat, tolerate or transfer.

4. Risk Reporting and Communication

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

As part of the trustees' report, which accompanies the audited financial statements, academy trusts are required to explain their principal risks and uncertainties and the plan for managing those risks.

4.1. Risk register

The reporting mechanism will be the school's Risk Register. This will highlight the key risks currently facing the school, as well as a breakdown for each key strategic aim. As risks are identified, they should be logged on the register and the associated control measures documented. A risk register should be a 'live document' and should be an on-going process. The risk register will be monitored, reviewed and updated firstly by the SLT, then by the Trustees with risk register responsibilities and finally the Trustees Finance, Audit and Risk Committee on a termly basis.

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

The Finance, Audit and Risk Committee monitors the risk register termly. The Business Manager will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered and reported to the Finance and Audit Committee, along with a summary of actions taken.

The Business Manager 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 management any perceived new risks or failure of existing control measures.

4.3 Financial Risks

The academy needs to consider two types of financial risk, which are strategic and operational, as part of its risk strategy,

- **Strategic Financial Risk** – The most common risks include cash flow, employment costs adherence to regulations, school-level financial management and facilities management. Benchmarking exercises can help to identify these risks and their potential control measures.
- **Operational Financial Risk** – The risks can derive from procurement, cash management and taking and processing payments. The most effective way of managing these risks is through central set policies and through your scheme of delegation, which will establish lines of monitoring and responsibility for any associated risks.

4.4 Annual risk review and assessment

A member of the Finance and Audit Committee provides a termly assessment review of the effectiveness of the school's risk register.

The Finance, Audit and Risk Committee will report to the Full Board of Trustees on:

- New significant risks facing the school
- The effectiveness of the risk management processes
- That the school has published a risk management strategy covering risk management philosophy and responsibilities

5. Areas for improvement

Any areas identified as being in need of improvement will be discussed and agreed each meeting of the Finance, Audit and Risk Committee. Any subsequent training requirements will be identified and undertaken.