Greenfield and Pulloxhill Academy

Risk Management Policy

Purpose of this Document

1. This risk management policy (the policy) forms part of the Academy's internal control and governance arrangements.

2. The policy explains the underlying approach to risk management, documents the roles and responsibilities of key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

3. In addition, it describes the process the Academy will use to evaluate the effectiveness of the internal control procedures.

Underlying Approach to Risk Management

4. The following key principles outline the Academy's approach to risk management and internal control:
   - The Academy has an open and proactive approach to identifying issues,solving the associated risk and then managing that risk.
   - The Academy makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks in reports to the Governing Body.
   - All staff are responsible for encouraging good risk management practice within their domain
   - Key risk indicators are identified and closely monitored on a regular basis

The Role of theAcademy Governing Body

5. The role of the Governing Body is;
   - To consider and approve risk management strategies and policies proposed by the Academy SLT

The Role of the Academy Senior Leadership Team

6. The key roles of the Academy Senior Leadership team are to:
   - 6.1 Identify and evaluate the risks faced by the Academy.
   - 6.2 Recommend to the Governing Body strategies to manage and mitigate those risks identified and establish the level of exposure / residual risk.
   - 6.3 Devise and maintain a risk based approach to establishing a sound system of internal control, covering all types of risk, at all levels.
   - 6.4 Devise and maintain procedures to review the effectiveness of the process.
   - 6.5 Provide adequate information in a timely manner on risks and controls.

Risk Management as Part of the System of Internal Control

7. 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 Academy to respond to a variety of operational, financial, and commercial issues and managing the associated risk. These elements include:

   7.1 Policies and Procedures

   There is a series of policies or procedures that underpin the internal control process.The policies are communicated to and implemented by all staff. Written procedures support the policies where appropriate.

   7.2 *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 at committee and Governing Body level.

   7.3 Regular Reporting

   Regular reporting at committee and Board level is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Academy Senior Leadership Team and the Governing Body if appropriate.

   7.4 *Governing Body*

   The Governing Body has a specific responsibility to monitor and recommend in respect of risk management. Committees will therefore report to the Governing Body termly on risk management and alert it to any emerging issue.

   The Governing Body will receive termly from committees and/or the Senior Leadership Team a report and;
   - for significant risks, will review the action plan in place to mitigate the risks.
   - will review the implementation plan proposed.

   7.5 External Audit

   External audit provides feedback to the Academy on the operation of the internal financial controls, reviewed as part of the annual audit.

   7.6 Third Party Reports

   The use of external consultants may be necessary as part of the internal control system 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.

The Annual Review of Effectiveness

8   The Governing Body is responsible for reviewing the effectiveness of internal control, based on information provided by committes and the Senior Leadership Team. It's approach is outlined below.

   The Governing Body will receive updates from committees and the SLT regarding risk management, as part of the normal reporting.

   In making a decision in respect of the management of a risk, the Governing Body will consider the following aspects.

   Control Environment
   - The Academy's objectives and its financial and non-financial targets
   - Organisational structure and performance of the management team
   - Culture, approach, and resources with respect to the management of risk
   - Delegation of authority
   - Public reporting.

   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

   Information and Communication
   - Quality and timeliness of information on significant risks
   - Time it takes for control breakdowns to be recognised, or new risks to be identified

   Monitoring and Corrective Action
   - Ability of the Academy to learn from its problems
   - Commitment and speed with which corrective actions are implemented

Risk Appetite

9.   The Academy's risk appetite will not be static and nor will it be the same in all areas of activity. The risk appetite will vary depending on circumstances at the time. The Academy will want to ensure that its overall level of risk is balanced, sustainable and appropriate and this balance is likely to be achieved with varying degrees of risk in different areas of activity.

   Risk appetite can be divided into five levels:-
   - AVERSE – avoidance of risk and uncertainty is a key objective;
   - MINIMALIST – preference for ultra-safe options that have a low degree of inherent risk and a small potential for limited reward;
   - CAUTIOUS – preference for safe delivery options that have a low degree of risk and consequently may not achieve maximum reward;
   - OPEN – willing to consider all delivery options and choose the one most likely to result in successful delivery whilst also providing maximum reward;

- HUNGRY – Eager to be innovative and choose risky options which have higher potential for reward.

The Academy, in most instances, will have a minimalist appetite towards risks, but will judge each risk on its own merits. Any activity felt to be open or hungry will be reported to the Governing Body before the activity is undertaken.

Risk Management Process within Greenfield and Pulloxhill Academy.

10 The Academy has a Risk Register which is considered at meetings of the Governing Body where new or heightened risks are flagged and appropriate mitigating action noted. Changes in the Academy risk register are reported at Governing Body meetings as part of a Risk Management agenda item.

The Clerk is responsible for reporting risk activity.

Should any major risks arise which reflect potential severe financial or reputational damage to the Academy, these should be reported as a matter of priority to the Governing Body.

The Governing Body aims to ensure that risk management is embedded within the organisation and that all staff/governors are aware of their own responsibility to report potential risks through the appropriate channels.

History of document

Issue No.	Author/Owner	Date Reviewed	Approved by Governing Body	Comments
1	Curriculum Committee	September 2013	September 2013	
2	Personnel Committee	March 2016	March 2016	3 yearly – March 2019