



# **SIR ROBERT PATTINSON ACADEMY**

## **RISK MANAGEMENT POLICY**

**Date Reviewed in School: January 2024**  
**Date Approved by Governors: 5 February 2024**  
**Date to be Reviewed: January 2027**

## **Purpose of the Policy**

1. Taking risk management seriously is a priority for Sir Robert Pattinson Academy. The Risk Management Policy forms part of the institution's internal control and corporate governance arrangements. It is designed to provide assurance that the institution has adopted best practice in this area, as advocated by the Turnbull Report on internal control of companies and in other parts of the education and voluntary sectors.
2. The policy explains the institution's underlying approach to risk management

## **Aims and underlying approach to risk management**

The Academy has a Risk Management Strategy which aims to:

1. Identify and evaluate risks which could prevent the Academy from achieving one or more of its strategic aims and objectives and delivery targets or make their achievement substantially more difficult.
2. Assess the likelihood of such risks occurring (high, medium, low) and the potential impact of such occurrences with particular reference to the areas of finance, reputation and planning/operations.
3. Enable decisions to be taken on how much risk to accept, the actions/controls applied to avoid or mitigate the likelihood of such circumstances arising, to transfer risk or insure against the consequences and assign responsibility for implementation.

The following key principles outline the Academy's approach to risk management and internal control in pursuing the aims set out above:

1. The Academy has responsibility for overseeing risk management within the institution as a whole.
2. The Academy carries out this responsibility through its Full Board of Trustees.
3. An open and receptive approach to solving risk problems is adopted by the Academy.
4. Key risk indicators are identified and closely monitored on a regular basis at whole school and department level. The Academy risk register is updated on a half termly basis.
5. The Head Teacher reviews the Academy's Risk Register on a half termly basis and it is a standing item on Board of Trustees meeting agendas.
6. The Academy makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
7. The Academy uses a weighted scoring for all identified risks, early warning indicators, milestones on actions and details sources of assurance over the controls in place, relevant to each identified risk.
8. All colleagues within the institution are encouraged to be involved in the risk management process by the reporting of risks. The Academy aims to ensure that its Risk Management Policy and Strategy is fully embedded across the institution.

## **APPENDIX**

### **Risk procedures and guidance**

#### **1.0 The Aims and Objectives of Risk Management**

- 1.1 The Academy's overall risk management plan is aimed at:
- Protecting its students, staff and assets
  - Managing risk in accordance with best practice and reducing the cost of risk
  - Anticipating and responding to changing social, environmental and legislative requirements
  - Raising awareness of the need for risk management
  - Integrating risk management into the culture of the Academy
  - Adopting legal compliance as a minimum standard
- 1.2 These aims and objectives will be achieved by:
- Establishing and maintaining a risk management organisational structure to act in an advisory and guiding capacity which is accessible to all leaders
  - Maintaining documented procedures for the control of risk
  - Providing suitable information, training and supervision
  - Maintaining effective communication and the active involvement of all staff
  - Maintaining an appropriate incident reporting and recording system, with investigation procedures to establish cause and prevent recurrence
  - Monitoring arrangements on an on-going basis

#### **2.0 The Structure and Administration of Risk Management**

- 2.1 The Senior Leadership Team (SLT) will:
- Support and implement policies approved by the Academy
  - Establish internal risk assessments for individual Academy services/areas/departments
  - Develop risk response processes, including contingency and business continuity programmes
  - Provide adequate information in a timely manner to the Academy and its committees on the status of risks and controls
  - Focus and co-ordinate risk management activities throughout the Academy
  - Raise the level of management awareness and accountability for the business risks experienced by the Academy
  - Develop risk management as part of the culture of the Academy
  - Provide a mechanism for risk management issues to be discussed and disseminated to all areas of the Academy
- 2.2 Heads of Departments and Line Managers will:
- Have primary responsibility for managing risk on a day-to-day basis
  - Have responsibility for promoting risk awareness within their operations
  - Identify and evaluate the significant risks faced by their operations for consideration by the Senior Leadership Team, the Audit & Compliance Committee, the Academy and the other sub Committees
  - Ensure that risk management is incorporated at the conceptual stage of projects as well as throughout a project
  - Ensure that risk management is a regular management meeting item to allow consideration of exposure and to prioritise work in the light of effective risk analysis
  - Report early warning indicators to SLT

### 3.0 Risk Identification

- 3.1 Risk is not only about adverse events, it is also about missed opportunities. All areas of activity within the Academy and partnerships with third party organisations should be considered together with what would stop them being as successful as they should. The key risks that the Academy faces will be those that would stop it achieving its objectives in these areas.
- 3.2 As part of the risk identification process, all staff with responsibility for delivering operational aims or targets need to understand the Academy's improvement objectives and the legal and regulatory environment in which it operates.
- 3.3 The second step is the translation of these objectives into operating aims in the form of a detailed improvement plan and performance indicators for each area of activity. This should be an ongoing annual exercise with regular updating of the aims.
- 3.4 The next step is to identify what would stop each area being as successful as it should. Risks can readily be identified through either brainstorming or a more structured approach.
- 3.5 There are many methods for grouping risks, starting from either categorising risk or analysing it using a functional approach. Consideration by category, for example, would include:
- **Strategic risks** – concern the long-term strategic objectives of the Academy. They can be affected by such areas as capital availability, legal and regulatory changes, reputation and changes in the physical environment. For example, failure to recognise and respond to changes in the sector.
  - **Operational risks** – concern the day-to-day issues that the organisation is confronted with as it strives to deliver its strategic objectives. For example, failure to maintain timely and accurate student data.
  - **Financial risks** – concern the effective management and control of the finances of the Academy and the effects of external factors such as interest rate movement and other market exposures. For example, failure to balance the budget.
  - **Compliance risks** – concern such issues as health and safety, environmental, trade descriptions, consumer protection, data protection, employment practices and regulatory issues. For example, breach of employment laws.
- 3.6 The risks that have been identified should be recorded on the risk template and updated to the register for the Academy.

### 4.0 Risk Estimation (Assessing Likelihood and Impact)

- 4.1 Having identified the risks that the Academy is facing, they need to be prioritised into a manageable order so that action can be focused on the significant risks. At this stage in the risk management process you should only be concerned about the risks that threaten the achievement of your operating aims and objectives. Risk prioritisation will enable necessary action to be taken at the relevant level of management in the Academy.
- 4.2 Each risk should be assessed in terms of the **likelihood** of its occurrence, and its **impact** on the Academy, should it occur.
- 4.3 Not all risks will affect the Academy with the same impact, and some are far more likely to occur within the Academy than others. For example, there is perhaps a low likelihood of fire at Sir Robert Pattinson Academy, but there would be a significant disruption if the buildings were burnt down.

4.4 The impact of a risk and the likelihood of it occurring should be scored as follows:

- **Likelihood**

For each of the risks listed, assess the likelihood of occurrence on the following scale:

1. extremely unlikely; rare occurrence
2. unlikely
3. moderately unlikely
4. very likely, regular occurrence
5. highly likely

- **Impact (financial/reputational)**

Also assess their impact on the following scale:

1. not critical to continued operations
2. minor impact in limited areas
3. minor impact in many areas
4. significant impact; would not affect continued operations in short-term but might in long-term
5. significant impact; in medium term; relates to substantial operational areas/fundamental to continuing operations

4.5 Multiply the scores for likelihood and impact (Financial and Reputational) and then rank the risk by numerical value, e.g.

Major fire	impact 5	likelihood 2	total = 10
Small scale theft	impact 1	likelihood 3	total = 3

## 5.0 Risk Prioritisation

5.1 Risks should be prioritised as follows:

Risk Score	Prioritisation	Colour	Action
1-7	Low	Green	Keep under review
8-13	Medium	Amber	Consider action or contingency plan
14-25	High	Red	Immediate action

## 6.0 Risk Mitigation

6.1 Once risks have been identified and prioritised, a decision is required as to how the Academy is going to address them.

6.2 As the first step, the 'cost' of accepting the risk should be assessed. This may be a financial cost or a lost opportunity. The Academy may decide that accepting a particular risk is appropriate and not take any further action.

6.3 If further action is needed then there are three main options:

- avoid the risk
- transfer all or part of the risk
- mitigate the risk

6.4 A risk may be avoided by withdrawing from that area of activity, but doing so may result in a missed opportunity.

6.5 A risk may be transferred wholly or in part to a third party, possibly through insurance or a partnership arrangement.

6.6 In the majority of cases, systems will be put in place to mitigate either the likelihood or the impact of the risk. These will include systems addressing the whole operation of the Academy as well as the areas where risks have been identified. Any system of risk mitigation should provide as a minimum:

- Effective and efficient operation of the Academy
- Effective internal controls
- Compliance with law and legislation

6.7 Identified risks should include sources of assurance over the controls in place to mitigate each risk identified.

## **7.0 Risk Monitoring**

7.1 The likelihood or impact of an identified risk can change for a number of reasons including:

- Nature of the risk has changed or is changing
- Existing controls are inadequate or not functioning
- New controls are introduced

7.2 Early warning indicators should be designed for each risk to alert senior leaders to the situation effectively. These should have triggers and be described in the register.

7.3 The Senior Leadership Team should:

- Review the Risk Register half termly
- Review key performance indicators and progress towards objectives
- Take necessary action to address adverse departures for objectives
- Provide adequate information to the Board of Trustees on the most significant risks

7.4 The Board of Trustees should:

- Review the Risk Register at its meetings
- Provide on-going advice on the effectiveness of the risk management process

## **8.0 Risk Reporting**

8.1 Different levels within the Academy need different information from the risk management process.

8.2 Early warning indicators should be reported systematically and promptly to senior leaders to allow action to be taken. The frequency of reporting should be related to how quickly a risk can materialise and its likely impact.

8.3 Staff should:

- Understand their accountability for individual risks
- Understand that risk management and risk awareness are a key part of the Academy's culture
- Understand how they can enable continuous improvement of risk management response
- Report systematically and promptly to senior leaders any perceived new risks or failures of existing control measures

8.4 The Academy should:

- Report annually on the effectiveness of the risk management process in the Academy
- Report to the Academy's stakeholders on a regular basis its risk management approach/es and the effectiveness in achieving its objectives.