



GREAT BARFORD PRIMARY ACADEMY

RISK MANAGEMENT POLICY

Purpose

This Risk Management Policy (the policy) forms part of the Academy's internal control and corporate governance arrangements.

The policy explains the Academy's underlying approach to risk management, documents the roles and responsibilities of the Governing Body, Senior Team and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

In addition, it describes the process the Governing Body will use to evaluate the effectiveness of the Academy's internal control procedures.

Approach to Risk Management

The following key principles outline the Academy's approach to risk management and internal control:-

- The Governing Body has responsibility for overseeing risk management within the Academy as a whole and is advised by the Finance & General Purposes Committee
- An open and receptive approach to solving risk problems is adopted by the Governing Body
- The Headteacher and the Senior Team support, advise and implement policies approved by the Governing Body
- The Academy makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- All members of the Academy staff are responsible for encouraging and implementing good risk management practice within the Academy and all of its departments.
- Key risk indicators will be identified and closely monitored on a regular basis.



Role of the Governing Body

The Governing Body has a fundamental role to play in the management of risk. Its role is to:

- a) Set the tone and influence the culture of risk management within the Academy.
This includes:
 - Determining whether the Academy is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue.
 - Determining what types of risk are acceptable and which are not.
 - Setting the standards and expectations of staff with respect to conduct and probity.
- b) Determine the appropriate risk appetite or level of exposure for the Academy.
- c) Approve major decisions affecting the Academy's risk profile or exposure.
- d) Monitor the management of fundamental risks.
- e) To be satisfied that the less fundamental risks are being actively managed, with the appropriate level of controls in place and operating effectively.
- f) Review annually the Academy's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

Role of the Academy's Headteacher and Senior Management Team (SLG and SLT)

Key roles of the Academy's Senior Management Team are to:

- Implement policies on risk management and internal control.
- Identify and evaluate the fundamental risks faced by the Academy for consideration by the Finance and General Purposes Committee.
- Provide adequate information in a timely manner to the Governing Body /Finance & General Purposes Committee on the status of risks and controls.
- Undertake an annual review of risk management and the effectiveness of the system of internal control and provide a verbal report to the Finance & General Purposes Committee and from that Committee to the Governing Body.

Risk Management as Part of the System of Internal Control

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 risks. These elements include:

- **Policies and Procedures**

Attached to significant risks are a series of policies that underpin the internal control process. These policies are set by the Governing Body and implemented and communicated by senior management to staff. Written procedures support the policies where appropriate.

- **Regular reporting**

Regular reporting is designed to monitor key risks and their controls. Decisions to rectify problems identified are made at regular meetings of the relevant committees of the Governing Body and, if appropriate, of the Governing Body itself.

- **Business 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.

- **Risk Register**

A Risk Register has been compiled by the Academy and is reviewed on a termly basis by the Finance & General Purposes Committee. It facilitates the identification, assessment and ongoing monitoring of major risks to which Alban Church of England Academy is exposed. Emerging risks are added as required and improvement actions and risk indicators are monitored regularly.

- **Internal Audit**

The Academy has appointed an internal audit company, Strictly Education, to carry out termly audits and this provides governors with assurance over the suitability of, and compliance with, the Academy's financial systems and internal controls. Detailed written reports, including Academy Management Responses, are reported to Governors on a termly basis.

- **External Audit /Third Party Reports**

External audit of the financial statements provides feedback to the Governing Body on the operation of the internal financial controls reviewed as part of the annual audit. From time to time, the use of external consultants may be appropriate in areas such as health and safety and insurance. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.



Annual Review of Effectiveness

The Governing Body, advised by the Finance and General Purposes Committee, will undertake an annual review to consider:

- Whether risk management continues to be linked to the achievement of the Academy's objectives;
- The appropriate risk appetite or level of exposure for the Academy as a whole;
- Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the Academy's objectives;
- Whether risk assessment and risk-based internal control are embedded in ongoing operations and form part of its culture;
- Changes in the nature and extent of fundamental risks and the Academy's ability to respond to changes in its internal and external environment since the last assessment;
- The scope and quality of management's on-going process of monitoring the system of internal control including such elements as the effectiveness of assurance functions;
- The extent and frequency of reports on internal control to the Governing Body and whether this is sufficient for the Governing Body to build up a cumulative assessment of the state of control and effectiveness of risk management;
- The incidence of any fundamental control failings (risk events) or weaknesses identified at any point within the year (near misses) and the impact that they have had or could have on financial results;
- The effectiveness of the Academy's public reporting processes;
- The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.

This policy will be reviewed annually by the Governing Body.