



Risk Policy

Purpose

1. This policy:
 - a. Is a formal acknowledgement that the Proprietor is committed to maintaining a strong risk management framework. The aim is to ensure that St Edward's School ("the School") makes every effort to manage risk appropriately by maximising potential opportunities whilst minimising the adverse effects of risks.
 - b. Should be used to support the internal control systems of the School, enabling the charity to respond to operational, strategic and financial risks regardless of whether they are internally or externally driven.

Objective

2. The objective of this policy is:
 - a. To confirm and communicate the Director's commitment to risk management.
 - b. To establish a consistent framework and protocol for determining appetite to and for managing risk.
 - c. To assign accountability to management and staff for risk within their control and provide a structured process for risk to be considered, reported and acted upon throughout the School.

Risk Policy Statement

3. The Proprietor and Senior Leadership Team (SLT¹) of the School believe that sound risk management is integral to both good management and good governance practice.
4. Risk management should form an integral part of the School's decision-making and be incorporated within strategic and operational planning.
5. Risk assessments will be conducted on all new activities and projects to ensure they are in line with the Proprietor's objective and School's mission.
6. Any risks or opportunities arising will be identified, analysed and reported at an appropriate level. A risk management matrix covering key strategic risks will be maintained and updated at least twice a year and more frequently where risks are known to be volatile.

¹SLT – Headmaster, Director of Operations, Director of Studies and Director of Pastoral

7. All staff will be provided with adequate training on risk management and their role and responsibilities in implementing this. Detailed requirements in these areas are set out in the Risk Assessment Policy and the Staff Handbook.
8. The School will regularly review and monitor the effectiveness of its risk management framework and update it as considered appropriate.
9. Reports will be made to the Proprietor of continuing and emerging high concern risks and those where priority action is needed to effect better control.
10. Individual error and incident reports will be required from individual SLT members where a reportable event is identified. Such incidents which are considered to pose a significant threat to the School, financial or otherwise, will be escalated to the Proprietor.

Organisational Roles

11. The role of the Directors is:
 - a. To ensure that a culture of risk management is embedded throughout the School.
 - b. To set the level of risk appetite for the organisation as a whole and in specific circumstances.
 - c. To communicate the School's approach to risk and set standards of conduct expected of staff.
 - d. To ensure risk management is included in the development of business plans, budgets and when considering strategic decisions.
 - e. To approve major decisions affecting the School's risk profile or exposure.
 - f. To satisfy itself that less fundamental risks are being actively managed and controlled.
 - g. To regularly review the School's approach to risk management and approve any changes to this.
 - h. To receive reports from internal audit, committees, external consultants and any other relevant parties and to make recommendations on this.
12. The role of the SLT is:
 - a. To ensure that this policy is implemented throughout the organisation.
 - b. To anticipate and consider emerging risks and to keep under review the assessed level of likelihood and impact of existing key risks.

- c. Provide regular and timely information to the Directors on the status of risks and their mitigation.
- d. To implement adequate corrective action in responding to significant risks; to learn from previous mistakes and to ensure that crisis management plans/control procedures are sufficiently robust to cope with high level risk.

Interaction with Internal Control Systems

- 13. Risk management forms part of the School's system of internal controls and should be read in conjunction with the policies and detailed controls procedures. These documents set out in detail operational limits within which individuals may act in particular circumstances in order to minimise the risk of fraud or error. These limits cover amongst other things - control over bank payments and receipts, authorisation of and processing of expenditure and approval required at particular levels of decision making.
- 14. In addition, the School expects to meet minimum standards required by legislation and good practice in operational areas covering the following:
 - a. IT and Data Protection
 - b. Governance
 - c. HR
 - d. Financial Accounting and Reporting
 - e. Health and Safety
- 15. The risk of falling short of these standards is mitigated as far as possible by ensuring that appropriate policies and working practices are adopted in each of these key areas and that staff are adequately experienced and trained to manage this. Where necessary, external advice is sought to supplement internal expertise.

Risk Mapping

- 16. Risks are ranked by impact and likelihood of occurrence:

Likelihood -

- High** At least once a year
- Medium** Likely to occur once in 2-9 years
- Low** No more frequent than once in 10 years

Impact –

- High** A significant effect on the totality of the school's business.
A financial impact of at least £250k in any one year.
A major impact on the school's reputation.

A prolonged (week+) effect on the operation of the school.

An effect on large numbers of pupils and staff.

A matter that would require the implementation of the Crisis Management Plan.

Medium

A significant effect on a number of departments.

A financial impact of £50k - £250k in any one year.

A significant but not major impact on the school's reputation.

A prolonged (week+) effect on the operation of a significant part of the school.

A serious effect on the operation of the school for 2-3 days.

A matter that would require special written procedures to cover it.

Low

A significant effect on one department.

A financial impact of less than £50k in any one year.

A minor impact on the school's reputation.

A serious effect on the operation of the school for one day or less.

A matter that should be dealt with through normal managerial processes.

Early Warning Indicators to Trigger Action on Risk

17. Operational and staffing issues:

- a. High staff turnover
- b. Loss of key staff or key members of the Directors
- c. Dropping number of pupils
- d. Increased complaints from parents/staff
- e. Accidents involving staff/pupils
- f. Loss of contracts/grants/trading revenue
- g. Poor performance against SDP/KPIs
- h. Lack of adherence to internal control systems

18. Financial issues:

- a. Termly reconciliations exceeding planned budget
- b. Reporting and management accounting delayed or incomplete
- c. Increased bad debts
- d. Late payment of suppliers
- e. Increased reliance on overdraft or bank exposure
- f. Reserves falling below level set in reserves policy
- g. Incidence of fraud

19. Overall risk framework:

- a. Significant issues arising from internal or external audit
- b. Poor follow up on issues or reports from external or internal review bodies
- c. Overdue action on points from risk register
- d. Escalating risks on risk register
- e. Legal claims or disputes
- f. Trustee conflicts of interest
- g. Activity falling outside charitable objects
- h. Breaches of regulatory requirements

Appendix:

1. Risk Management Matrix

Reviewed: June 2022
Next review date: June 2024
By: Headmaster