WEST HATCH HIGH SCHOOL

THE BEST THAT I CAN BE

Risk Management Strategy

Policy reviewed:	February 2022
Signed:	
Adrian Harris	Chair of Governors
Review Date:	September 2024

West Hatch High School

Risk Management Strategy

1. Background

The Risk Management Strategy aims to ensure that West Hatch 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 Governors 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 is 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

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.

2. Risk Management objectives

The objectives for managing risk across the school are:

- To comply with risk management best practice;
- To ensure risks facing West Hatch are identified and appropriately documented;
- To provide assurance to the Governors 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 Academy

3.1. Roles and responsibilities

The Governing Body has overall responsibility for managing risk, including the oversight of the risk register. The Board have appointed the Audit and Risk Committee in accordance with the Academies Handbook to:

- Direct the trust's programme of internal scrutiny
- Ensure that risk are being addressed appropriately through internal scrutiny
- Report the board on the adequacy of the trust's internal control framework, including financial and non-financial control and management of risks.

The Director of Finance and Operations has delegated 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
- Preparation of periodic reports to the Audit and Risk Committee

The Risk Register is formally reviewed each term by the Senior Leadership Team and updated by the Director of Finance and Operations. The Risk Register is a standing item on the Audit and Risk Committee's agenda and they will monitor the identification and mitigation of risk within the Academy. The Audit and Risk Committee's review of the Risk Register forms part of that Committee's report to the Governing Body.

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 the following aims:

- Strategic and reputational risks
- Operational risk
- Compliance
- Financial risk
- Pandemic risk

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.

West Hatch uses a 3x3 matrix to assess impact and probability as high, medium or low, as illustrated in the diagram below:
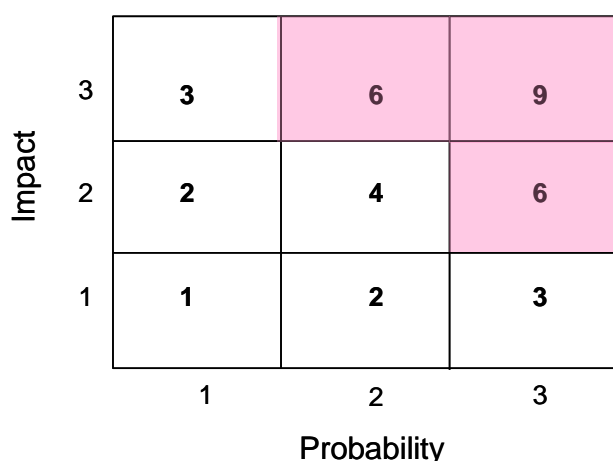
The **descriptors** for high, medium and low impact and probability can be expanded as follows:

Impact of risk occurring

Impact	Description
High	The financial impact will be significant [in excess of £100,000]

	Has a significant impact on the School's strategy or on teaching and learning Has significant stakeholder concern
Medium	The financial impact will be moderate [between £25,000 and £100,000] Has no more than a moderate impact on strategy or on teaching and learning Moderate stakeholder concern
Low	The financial impact is likely to be low [below £25,000] Has a low impact on strategy or on teaching and learning Low stakeholder concern

Probability of risk occurring

Probability	Description	Indicator
High	Likely to occur each year, or more than 25% chance of occurrence within the next 12 months	Potential of it occurring several times within a 4 year period. Has occurred recently
Medium	Likely to occur within a 4 year time period or less than 25% chance of occurring within the next 12 months	Could occur more than once within a 4 year period. Some history of occurrence
Low	Not likely to occur within a 4 year time period or less than 5% chance of occurrence	Has not occurred Is not likely to occur

3.4. Risk appetite

The term risk appetite describes West Hatch School's readiness to accept risks and those risks it would seek to reduce. The Academy's risk threshold is the boundary delineated by the pink shaded area (represented by scores of 6 and above) in the risk matrix in paragraph 3.3. Above this threshold, 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.

We will adopt one of the 4 risk responses outlined below:

Avoid	Counter measures are put in place that will either stop a problem or threat occurring or prevent it from having an impact on the business
Transfer	The risk is transferred to a third party, for example through an insurance policy.
Mitigate	The response actions either reduce the likelihood of a risk developing, or limit the impact on the Academy to acceptable levels.
Accept	We accept the possibility that the event might occur, for example because the cost of the counter measures will outweigh the possible downside, or we believe there is only a remote probability of the event occurring.

4. Risk Reporting and Communication

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

4.1. Risk register

The reporting mechanism will be the School's Risk Register. This will highlight the key risks facing the School, as well as a breakdown for each key strategic aim. The Risk Register will be monitored by the 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 Audit and Risk Committee monitors the risk register each term. The Director of Finance and Operations will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered and reported to the Audit and Risk Committee, along with a summary of actions taken.

The Director of Finance and Operations 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 Leadership Team any perceived new risks or failure of existing control measures.

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 Academies Handbook (part 2).

4.3 Annual risk review and assessment

The Responsible Officer review provides a termly assessment of the effectiveness of the School's management of risk.

The Director of Finance and Operations will prepare an annual review of risk for the Audit Committee annually in the autumn term. This will enable the Audit Committee to report to the Governing Body on:

- The significant risks facing the School
- The effectiveness of the risk management processes and internal scrutiny programme
- That the School has published a risk management strategy covering risk management philosophy and responsibilities
- That the Audit and Risk Committee have approved a programme of internal scrutiny for the coming year with reference to the current risk register.

5. Areas for improvement

Any areas identified as being in need of improvement will be discussed and agreed each term at the Audit and Risk Committee.