

RISK MANAGEMENT POLICY

Presented to Finance & Resources/Audit and Risk Committees on Wednesday
30th April 2014

Ratified Board of Directors on 17th June 2014

THIS DOCUMENT TO BE REVIEWED ON AN ANNUAL BASIS

For: The Giffard Catholic Nursery and Primary Academy and Nursery
SS Mary and John's Catholic Primary Academy
St Michael's Catholic Nursery and Primary Academy and Nursery
St Teresa's Catholic Primary Academy
St Edmund's Catholic Academy

Date of Approval: 30th April 2014

Date to be reviewed April 2015



1. Introduction

Risk is the threat that an event or action will adversely affect the Academy's ability to achieve its objectives and to successfully execute its strategies.

Risk Management is the process by which risks are identified, evaluated and controlled. It is not about eliminating risk but about understanding it and managing it more effectively. It is part of the Academy's system of Internal Control.

This Policy explains the Academy's approach to Risk Management and gives key aspects of the process and identifies the main reporting procedures.

Directors use it to evaluate the effectiveness of the Academy's internal control procedures. The Policy is regularly reviewed by the Finance and Resources/Audit and Risk Committee.

2. Approach to Risk Management

- 2.1 The Board of Directors have overall responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the Multi Academy Company's public and other funds and assets, in accordance with the Funding Agreement and the Academies Financial Handbook issued by the Education Funding Agency (EFA)
- 2.2 There is an open and receptive approach to resolving risk issues.
- 2.3 The Finance and Resources/Audit and Risk Committee advises the Board of Directors on Risk Management.
- 2.4 The Academy makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- 2.5 All members of the Local Academy Representatives Group and the Academy's Leadership Team are responsible for encouraging and implementing good Risk Management practice within the Academy.
- 2.6 Early warning mechanisms are in place and monitored to alert the Academy to any risk events or near misses so that suitable remedial action can be taken.

3. Role of the Finance and Resources/Audit and Risk Committee

- 3.1 To set the tone and influence the culture of Risk Management within the Company. This includes:
 - Determining whether the Company is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue.
 - Determining which types of risk are acceptable and which are not.

- Setting the standards and expectations of staff with respect to conduct and probity.
- 3.2 To approve major decisions affecting the Company's risk profile or exposure.
 - 3.3 To monitor the management of fundamental risks.
 - 3.4 To be satisfied that the less fundamental risks are being actively managed, with the appropriate level of controls in place and operating effectively.
 - 3.5 To review annually the Academy's approach to Risk Management and approve changes or improvements to key elements of its processes and procedures.

4. Role of the Local Academy's Senior Leadership Team

- 4.1 To embed risk management into the system of internal control.
- 4.2 To identify and evaluate the fundamental risks faced by the Academy for consideration by the Local Academy Committee.
- 4.3 To provide adequate information in a timely manner to the Local Academy Committee on the status of risks and controls.
- 4.4 To assist the Local Academy Committee in undertaking an annual review of Risk Management and the effectiveness of the System of Internal Control.

5. System of Internal Control

The system of internal control incorporates Risk Management. It encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Academy to respond to a variety of risks. These elements include:

- 5.1 **Policies and Procedures**
A series of policies underpin the internal control process. These policies are set by the Board of Directors. Written procedures support the policies where appropriate.
- 5.2 **Development Planning and Budgeting**
The development planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting development plan objectives is monitored regularly.
- 5.3 **Risk Management Plan**
This framework (Appendix 13.1) is compiled by the Finance and Resources/Audit and Risk Committee and helps to identify, assess and monitor risks significant to the Company. The Risk Management Plan is formally revised annually but emerging risks are added as required and improvement actions and risk indicators are monitored regularly by the Local Academy Committee.

5.4 Accounting Officer/Internal Audit

The Multi Academy’s Accounting Officer is appointed in line with the Academies Financial Handbook The AO is a Director, or an appropriately qualified and experienced individual with the necessary financial interest and skills to be able to perform the role competently. The appointee can show that the responsibilities’ being undertaken are fully understood and has sufficient understanding to recognise any irregularities which may arise and sufficient authority to ensure they are addressed. External audit informs the Finance and Resources/Audit and Risk Committee and the EFA on the accuracy and regularity of the Academy’s accounts.

5.5 Third party Reports

From time to time, the use of external consultants may be appropriate 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.

Version	Approval Date	Action/Notes	Signature of the Chair of Committee/Board
1	30/04/14	Approved by Finance and Resources/Audit and Risk Committee Board Ratified 17/06/14	Chris Walker: