



## **Risk and Opportunity Policy Statement St. Matthias CE Primary School**

Adopted: 13.02.19

**Review Date: Spring 2021**

### **1. Aims**

St. Matthias CE Primary Academy views risk management as an integral part of good corporate governance. It is essential in order to continue to meet high educational standards, demonstrate Best Value and protect the assets of the academy. Risk management is not about totally eliminating risk but about identifying and understanding risk and therefore managing it more effectively, to ensure:

- Significant risks are known and monitored, enabling directors and governors to make informed decisions and take timely action
- The academy makes the most of opportunities and develops them with the confidence that any risks will be managed
- Forward and strategic planning are improved
- The academy's aims are achieved more successfully

### **2. Policy**

The academy's risk management objectives are to:

- Embed risk management into the culture of the academy
- Comply with statutory obligations
- Preserve and enhance the delivery of education within the academy
- Safeguard pupils, employees and all other persons to whom the academy has a duty of care
- Protect its property including buildings, equipment, vehicles and all other assets and resources
- Maintain effective control of public funds
- Protect the reputation of the academy
- Support the quality of the environment

### **3. Context**

For the purposes of this strategy, **risk is defined as something that might have a detrimental impact on the achievement of the academy's objectives. Risk & Opportunity Management is defined as encouraging innovation through a managed process, ensuring that tangible and intangible assets are safeguarded.**



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### 1. Examples of the types of risks which the academy face include:-

- Changes to EFA funding, including a reduction in pupil placement funding and the Education Services Grant
- Changes to the Local Authority commissioning arrangements for children with special educational needs
- Changes to terms and conditions of employees as part of national or local pay settlements
- Increased liability costs on employers e.g. increased NI or pension costs
- Failure to comply with statutory obligations and regulations such as those covering the environment, health and safety, employment practice, and human rights
- Anything that poses a threat to the achievement of educational objectives, including failure to take opportunities to improve educational standards within the academy.
- Failing to fulfil its duty of care to those that the academy comes in to contact with
- Financial risk/loss or deterioration of assets above and beyond normal wear and tear
- Anything that could damage the academy's reputation and undermine public confidence
- Not protecting the environment from the actions of the academy itself or from others operating within the boundaries of the academy.

Generally, risk will need to be considered in terms of the wider environment in which academy operates. The financial climate, society and its attitudes, the natural environment and changes in the law and Government policy, technology and knowledge will all affect the types and impact of the risks that the academy is exposed to.

Although the risks that any academy might face are both financial and nonfinancial, the ultimate impact of risk is financial in most cases. This could be where a party seeks compensation for loss, or costs are incurred in managing, avoiding or transferring the risk, for example by buying employers' liability insurance or buildings insurance.

#### 4. Categories of Risk

Risk Category	Examples
Governance Risks	<ul style="list-style-type: none"><li>• Inappropriate organisational structure</li><li>• Directors / Governors lack relevant skills or commitment</li><li>• Conflicts of interest</li></ul>
Operational Risks	<ul style="list-style-type: none"><li>• Poor recruitment and training</li><li>• Doubt about security of assets</li><li>• Changes in local authority strategy for SEND</li></ul>
Financial Risks	<ul style="list-style-type: none"><li>• Non-compliance of statutory / legislative requirements</li><li>• Inaccurate and / or insufficient financial information</li><li>• Inadequate reserves and cash flow dependency on limited</li></ul>



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income sources

- Reduced funding from ESFA
- Insufficient insurance cover

External Risks

- Poor public perception and reputation
- Demographic changes such as an increase in the size of key stage cohort or changes in 2 tier / 3 tier system
- Turbulent economic or political environment
- Changing government policy

Compliance with law and regulation

- Acting in breach of trust
- Poor knowledge of the legal responsibilities of an employer
- Academy policies / documentation / website non compliant
- Poor knowledge of regulatory requirements e.g. failure of schools to meet at least 'Good' standards as per Ofsted inspection framework, or failure to adhere to requirements of SEND Code of Practice

Reputational Risks

- Damage to the reputation of the academy
- Negative change in public opinion

### 5. Strategic Approach

Following identification of the risks that the academy might face, a decision will need to be made about how they can be most effectively managed. The Governors have adopted this risk management policy to help them make decisions about the levels of risk that can be accepted on a day to day basis and what matters need to be referred to them for decision.

The Governors recognises that risk needs to be managed rather than avoided and consideration of risk should not stifle innovative decision-making.

In addition to identifying and defining risks associated with the activities of the academy, risk management is seen as a tool for identifying and assessing opportunities. The documented assessment of opportunities will provide the level of confidence required to make informed decisions. The academy recognises that it works in an increasingly litigious and risk-averse society.

A consistent approach to risk analysis will be an integral part of school planning and project management, and will be developed with the minimum of bureaucracy.

**There are four basic strategies that can be applied to manage an identified risk:**

- TRANSFER transferring the financial consequences to third parties or sharing it, usually through insurance or outsourcing
- TREAT introduce strategies to manage or reduce the negative impact of a specific action



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- TOLERATE accepting or assessing it as a risk that cannot be avoided if the activity is to continue. An example of this might be where the Board take out an insurance policy that carries a higher level of voluntary excess or where the Trust recognises that a core activity carries a risk but take steps to mitigate it - public use of a school property would be such a risk.
- TERMINATE avoiding the activity giving rise to the risk completely, for example by not bringing another school into the Trust or stopping a particular activity or service

### 6. Implementation

Governors and the academy's Senior Management Team are accountable for implementing this Policy and is committed to establishing a systematic and consistent approach to risk identification, analysis and control which;

- Establishes clear roles, responsibilities and reporting lines within the academy for risk management
  - Provides a framework for recording and reviewing potential risks and associated actions
  - Reinforces the importance of effective risk management by offering training, good practice, and other support
  - Embeds risk management as part of academy decision making; strategic planning; and project management
  - Enables the academy to deliver its priorities and services effectively
  - Contributes towards the achievement of sustainable improvement,
  - Contributes to the academy discharging its duty of care to pupils and its employees
  - Reduces the number and cost of insurance and contractual claims arising
  - Minimises damage to the academy's reputation
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### 7. Roles & Responsibilities

- The full Governing Body and Senior Leadership Team (SLT) have joint responsibility for the academy's risk management direction.
- The academy's SLT will be responsible for maintaining the academy's Risk Register. It will be updated following SLT meetings and made available to Governors to inform their decision making.
- The academy's Full Governing Body will review the academy's Risk Management arrangements in line with its agreed Terms of Reference. The Governing Body will receive an annual report as part of the Statement of Internal Control process.
- It is the responsibility of all Governors and staff to consider risks and opportunities as part of their decision making and day to day activities for the academy. This will include highlighting risks & opportunities as well as implementing agreed actions.

### 8. Monitoring and Evaluation

The headteacher will review the academy Risk Register yearly or when relevant with the Full Governing Body to ensure it reflects the current position for the School.



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## **Review**

This policy is to be reviewed by the Governing Body every two years.