



HAYDON SCHOOL

Risk Management Policy

Mission Statement

Haydon School is committed to the achievement of individual excellence, encouraging students to be creative and considerate, confident of their role in society and capable of rising to the challenges of a diverse and rapidly developing global economy.

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1. INTRODUCTION

Risk can be defined as the combination of the probability of an event and its consequences.

Risk management is the process by which we methodically address the risks attached to the School's activities and objectives. A risk may have both positive and negative aspects.

2. SCOPE AND RESPONSIBILITY

The risk management policy applies across the School.

The Trustees are ultimately responsible for assessing and managing the risks of the School, including:

- o identifying the major risks to which the School is exposed
- o assessing the likelihood of those risks
- o determining the potential impact of those risks
- o implementing systems and procedures to mitigate and monitor risks

The Trustees and Senior Leadership Team must review School's Risk Register in its entirety over an academic year.

Responsibility for day to day management of risk is delegated to the Headteacher, Director of Finance and Operations and through them to the Senior Leadership Team (SLT).

The Trustees will review, consider and approve the risk assessment and risk register.

There is a separate Emergency Incident Management Plan covering the management of risk of severe disruption to the School's activities and the disaster recovery protocol.

3. STATEMENT OF INTENT

Effective risk management will ensure that we focus on the identification and assessment, treatment and monitoring of the risks attached to our activities and objectives.

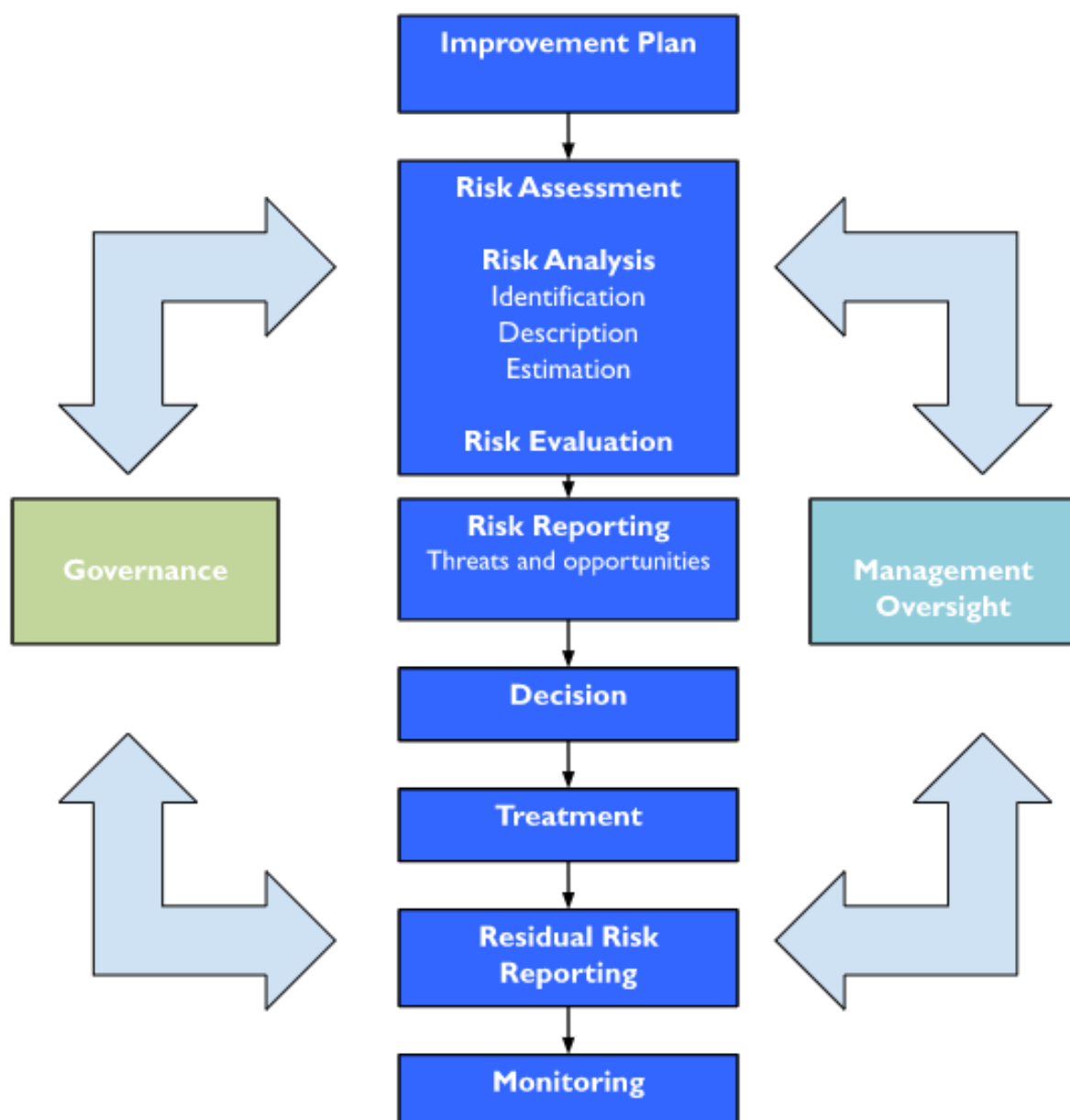
4. STRATEGIC OBJECTIVES

The objectives of the risk management policy are to:

- o Provide a framework of assurance for the SLT and Trustees
- o Minimise risk associated with the operational performance and embed internal control and risk monitoring systems

- o Improve decision making, planning and prioritisation by developing the School's understanding of organisational activities and their associated risks
- o Learn from previous experience
- o Contribute to an efficient resource allocation process
- o Ensure legal and regulatory requirements are met

5. THE RISK MANAGEMENT PROCESS



5.1 RISK ASSESSMENT

Risk assessment is defined as the overall process of risk analysis and risk evaluation.

5.2 RISK ANALYSIS

5.2.1 RISK IDENTIFICATION AND DESCRIPTION

Organisational activities and decisions will be classified in one of four ways:

- o **Strategic and Reputational** – activities and decisions affecting the long term strategic objectives of the School
- o **Operational** - relating to delivery of current activities and building capacity and capability
- o **Compliance** - activities and decisions related to legal or regulatory issues
- o **Financial** - activities and decisions with financial implications

All risks will be logged into the risk register and will be assigned an owner (usually a member of the SLT).

5.2.2 RISK ESTIMATION

Risk will be estimated on a quantitative and qualitative basis depending on the likelihood of occurrence and the severity of impact.

The initial assessment will be of the **inherent risk** – the risk present before the consideration of existing or additional controls.

- o **Likelihood** – will be categorised on a one to five scale – with one being highly unlikely and five almost certain.
- o **Impact** – will be described/categorised on a one to five scale – with one being insignificant and five catastrophic.

The impact of risks can be assessed with reference to the seven impact categories outlined in the table below.

Description	Financial	Injury or illness	Asset Loss	Business Continuity	Reputational	Objectives	Regulatory & Legal
Insignificant	<£10k	Minor injury, or illness, first aid, no days lost	Minor damage to single asset	<0.5 days	Minor media interest	<2.5% variance	Legal or Regulatory breach causing insignificant impact loss
Minor	>£10k<20K	Minor injury, or illness, medical treatment, days lost	Minor damage to multiple assets	>0.5<1 day	Headline media interest	2.5-5% variance	As above causing minor loss
Moderate	>£20k<50k	Moderate injury, medical treatment, hospitalisation, <14 days lost.	Major damage to single or multiple assets	>1<7 days	Headline media interest causing public embarrassment	5-10% variance	As above causing moderate loss
Major	>£50k<200k	Long-term illness (>14 days)	Significant loss of assets	>7<30 days	Short-term media campaign	10-25% variance	As above causing major loss
Catastrophic	>£200k+	Deaths, extensive injuries or disabilities	Complete loss of assets	>30 days	Sustained media campaign or lobbying	>25% variance	As above causing catastrophic loss and/or regulatory supervision

5.3 RISK EVALUATION, DECISION AND TREATMENT

When a risk has been analysed it is then necessary to compare it against risk criteria established by the Trustees. Risk evaluation is used to assess the significance of risks to the School and whether the response for each risk should be to:

- o Transfer - by conventional insurance or payment to a third party
- o Tolerate - accept the risk without taking further action
- o Treat - take action to minimise the risk to an acceptable level
- o Terminate - terminate the activity
- o Take the Opportunity - this may be in addition to the responses above and arises when it might be worth exploiting a positive impact

5.4 RISK APPETITE

The organisational risk appetite can be expressed as a tolerance level above which further action must be taken. The overall organisational risk appetite has been set at 10. As such, any inherent risk assessed at 10 or over requires action such that the retained risk is lower than 10.

Impact Severity	Multiplier					
Catastrophic	5	5	10	15	20	25
Major	4	4	8	12	16	20
Moderate	3	3	6	9	12	15
Minor	2	2	4	6	8	10
Insignificant	1	1	2	3	4	5
	Multiplier	1	2	3	4	5
Likelihood (annual chance of occurrence)		Rare <1%	Unlikely 1-10%	Possible 10-50%	Likely 50-75%	Almost certain >75%

	Key	
Catastrophic	20-25	Unacceptable risk - immediate corrective action
Major	11-19	Unacceptable risk - monitoring and reduction measures required.
Moderate	5-10	Acceptable subject to regular monitoring
Minor	3-4	Acceptable subject to regular passive monitoring
Insignificant	1-2	Acceptable subject to periodic passive monitoring

6. INTERNAL RISK ADMINISTRATION, REPORTING AND MONITORING

6.1 TRUSTEES

The Trustees are responsible for:

- o Ensuring the School monitors the risks identified and implements the actions as indicated in the Risk Register
- o Review of the Risk Register by the Finance and Premises Committee and other sub committees on an annual basis
- o Dealing with the issues escalated to them

6.2 HEADTEACHER

The Headteacher is the Accountable Officer on behalf of the Trustees for ensuring that:

- o An effective risk management policy is in place throughout the School
- o The School meets relevant statutory and regulatory requirements through internal management or through appropriate outsourcing with sufficient internal management oversight

6.3 DIRECTOR OF FINANCE AND OPERATIONS

The Director of Finance and Operations is responsible for:

- o Oversight of the effective running of the risk management process, including annual consideration of the Risk Register, crystallised risks and near-misses at Senior Leadership Team meetings and reporting to the Finance and Premises Committee
- o Coordination of Responsible Officer reviews and external audit
- o Management of insurance policies, claims, investigations and the renewal process
- o Development of appropriate risk awareness programmes and training for staff

6.4 SENIOR LEADERSHIP TEAM

The senior leadership team are responsible for:

- o Regularly reviewing the School's operations in their area of leadership and ensuring that any new or changed inherent risks are appropriately identified in the Risk Register
- o Ensuring that for risks owned by them, mitigating actions as designed are appropriate and sufficient to reduce the retained risk within the School's risk appetite. Ensuring that no new activities are undertaken until the risk assessment has been determined and approved
- o Monitoring the effective implementation and operation of those mitigating actions
- o Reporting significant failings in the design, implementation or operation of mitigating actions to the Director of Finance and Operations. Significant failings are defined as failings such that the retained risk may be in excess of the School's risk appetite.

Appendix 1

CATEGORIES OF RISK

Risk types	Illustration / Issues to Consider
<u>External Risk</u>	
1. Political	Possible political constraints such as change of government or impact of Brexit
2. Economic	Economic factors such as interest rates, exchange rates, inflation
3. Socio Cultural	Demographic change affecting demand for services; change of stakeholder expectations
4. Technological	Obsolescence of current systems; procurement and best use of technology to achieve objectives
5. Legal / Regulatory	Laws and regulations which impose requirements (eg health & safety and employment legislation)
6. Environmental	The need for buildings to comply with changing standards (eg energy efficiency); the need for disposal of rubbish and surplus equipment to comply with changing standards
<u>Operational Risk</u>	
7. Operations	Overall capacity and capability to achieve objectives; procedures employed
8. Service/Project Delivery	Failure to deliver the agreed service
9. Resources - Financial	Availability and allocation of funding; poor budget management
Resources- Physical	Security against loss, damage and theft of physical assets, and fraud including identification of areas which can be insured
Resources - Human	Availability, retention, skills and capacity of staff
Resources - Information	Adequacy of information for decision making; security of information against loss, damage, theft and fraud
10. Relationships	Threats to relationships with delivery partners; customer satisfaction; accountability (particularly to Education and Skills Funding Agency)
11. Reputation	Confidence and trust which stakeholders have in the organisation
12. Governance	Propriety and regularity; compliance with relevant requirements; ethical considerations
13. Scanning	Failure to identify threats and opportunities
14. Resilience	Capacity of accommodation, systems and ICT to withstand adverse impacts and crises; contingency planning and disaster recovery (eg fire, flood, failure of power supply, failure of transport systems)
<u>Change Risk</u>	
15. Public Sector Targets	New targets challenge the organisation's capacity to deliver
16. Change Programmes	Programmes for organisational or cultural change threaten current capacity to deliver as well as providing opportunity to enhance capacity
17. New Projects	Making optimal decisions/prioritising between new activities that are competing for resources
18. New Policies	Policy decisions creating expectations where the organisation has uncertainty about delivery

Document History

Date	Status	Comments
June 2017	New	New Policy To F&P 20.06.2017
June 2022	Updated	F&P 23 June 2022. FGB 20 July 2022
Next Review date: June 2023		