

POLICY / PROCEDURE / ACADEMY DOCUMENT:	RISK MANAGEMENT POLICY	
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COMMITTEE:	Leadership and Management	
RESPONSIBLE OFFICER:	Strategic Business Manager	

RISK MANAGEMENT POLICY

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RISK MANAGEMENT POLICY

1 INTRODUCTION

- 1.1 The Ashley School Academy Trust Risk Management Policy explains the Academy's underlying approach to risk management. It gives key aspects of the risk management process and identifies the main reporting procedures. The policy is reviewed and amended, if appropriate, on an annual basis by the Governing Body.

2 PURPOSE

- 2.1 This Risk Management Policy (the policy) forms part of The Ashley School Academy Trust's internal control and governance arrangements.
- 2.2 The policy explains The Ashley School Academy Trust's underlying approach to risk management.
- 2.3 It gives key aspects of the risk management process and identifies the main reporting procedures.
- 2.4 It describes the process the Governing Body will use to evaluate the effectiveness of The Ashley School Academy Trust's internal control procedures.

3 APPROACH TO RISK MANAGEMENT

- 3.1 The following key principles outline The Ashley School Academy Trust's approach to risk management:
- As the principal executive and policy-making body of The Ashley School Academy Trust's the Governing Body are responsible for risk management.

- The Governing Body are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the Funding Agreement and the Academies Financial Handbook issued by the Department for Education (DfE).
- There should be an open and receptive approach to resolving risk issues.
- The Leadership and Management Committee advises the Governing Body on risk management.
- The Ashley School Academy Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- All members of the Governing Body and The Ashley School Academy Trust's Senior Leadership Team are responsible for encouraging and implementing good risk management practice within the Academy.
- Early warning mechanisms will be put in place and monitored to alert the Academy to any risk events or near misses so that suitable remedial action can be taken to manage such risk positions.

4 ROLE OF THE GOVERNING BODY

4.1 The Governing Body has a significant role to play in the management of risk.

4.2 Its role is to:

- Set the tone and influence the culture of risk management within the Academy. This includes:
- Determining whether the Academy is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue.

- ♦ Determining what types of risk are acceptable and which are not.
- ♦ Setting the standards and expectations of staff with respect to conduct and probity.

- ♦ Determine the appropriate risk appetite or level of exposure for the Academy.
- ♦ Determine the Academy's risk prioritisation protocol.
- ♦ Approve major decisions affecting the Academy's risk profile or exposure.
- ♦ Monitor the management of fundamental risks.
- ♦ To be satisfied that the less fundamental risks are being actively managed, with the appropriate level of controls in place and operating effectively.
- ♦ Review annually the Academy's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

5 ROLE OF THE ACADEMY'S SENIOR LEADERSHIP TEAM

5.1 Key roles of the Academy's Senior Leadership Team are to:

- ♦ Implement policies on risk management and internal control.
- ♦ Identify and evaluate the fundamental risks faced by the Academy for consideration by the Leadership & Management Committee.
- ♦ Provide adequate information in a timely manner to the Governing Body / Leadership & Management Committee on the status of risks and controls.
- ♦ Assist the Governing Body / Leadership & Management Committee to undertake an annual review of risk management and the effectiveness of the system of internal control.
- ♦ Embedding risk management as part of the system of internal control.

6 SYSTEM OF INTERNAL CONTROL

6.1 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:

Policies and Procedures

6.2 Attached to fundamental risks are a series of policies that underpin the internal control process. These policies are set by Governing Body. Written procedures support the policies, where appropriate.

School Development Planning and Budgeting

6.3 The school development planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting the development plan objectives is monitored regularly.

Risk & Control Framework

6.4 This framework is compiled by the Leadership & Management Committee and helps to identify, assess and monitor risks significant to the Academy. The Risk Register is formally revised annually but emerging risks are added as required and improvement actions and risk indicators are monitored regularly.

Nominated Governor (formerly Responsible Officer (RO))

6.5 The academies Nominated Governor will be a governor (but not the chairman), with the necessary financial interest and skills to be able to perform the role competently. The appointee will be able to show that the responsibilities being undertaken are fully understood and have sufficient understanding to recognise any irregularities which may arise and sufficient authority to ensure they are addressed.

External Audit

- 6.6 External audit informs the Governing body on the operation of the internal financial controls which are reviewed as part of the annual audit of the accounts.

Third Party Reports

- 6.7 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.

7 THE GOVERNING BODY'S ANNUAL REVIEW OF EFFECTIVENESS

- 7.1 The Governing Body, advised by the Leadership and Management Committee, will undertake an Annual Review to consider:
- Whether risk management continues to be linked to the achievement of the Academy's objectives;
 - The appropriate risk appetite or level of exposure for the Academy as a whole;
 - Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the Academy's objectives;
 - Whether risk assessment and risk-based internal control are embedded in ongoing operations and form part of its culture;
 - Changes in the nature and extent of fundamental risks and the Academy's ability to respond to changes in its internal and external environment since the last assessment;
 - The scope and quality of management's on-going process of monitoring the system of internal control including such elements as the effectiveness of assurance functions;

- ♦ The extent and frequency of reports on internal control to the Governing Body and whether this is sufficient for the Governing Body to build up a cumulative assessment of the state of control and effectiveness of risk management;
- ♦ The incidence of any fundamental control failings (risk events) or weaknesses identified at any point within the year (near misses) and the impact that they have had or could have on financial results;
- ♦ The effectiveness of the Academy's public reporting processes;
- ♦ The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.

8 VERSION CONTROL

Academy Version 2015/001	August 2015
Date agreed by the Leadership & Management Committee:	12 th October 2015
This policy updates and replaces that approved by Governors	16 th January 2012
<p>In this policy as in all documents of The Ashley School Academy Trust (“TASAT”) any reference to The Ashley School, The Academy, School, Governors of The Ashley School or Trustees of The Ashley School is a reference to The Board of Directors of The Ashley School Academy Trust and any reference to the Headteacher of The Ashley School is a reference to the Chief Executive Officer of TASAT.</p>	
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