

# Woodside Academy



## Risk Management Policy and Procedure

Approved by the Risk Committee of the Board of Trustees: December 2024

### Purpose

The purpose of this policy and procedure is to outline the Academy's risk management strategy. The Academy sets out strategic and business objectives and risk management is the discipline by which risks that threaten the achievement of those objectives are identified and managed as part of the planning process.

"Risk" is used in this policy and procedure to describe the uncertainty surrounding events and their outcomes that might have a significant effect, either enhancing or inhibiting: operational performance; achievement of aims and objectives; or meeting the expectations of stakeholders.

"Major risks" are those risks that have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives, or could damage the reputation of the Academy.

The Academy believes that an effective risk management strategy is a matter of good organisational practice, and lies at the heart of good management and good governance.

### Policy

The Academy's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated.

The Risk Committee of the Board of Trustees is responsible for making a statement on risk management in the annual accounts of the Academy Trust. In order to be able to make the required statement with reasonable confidence the Trustees should ensure that:

- The identification, assessment and mitigation of risk is linked to the achievement of the Academy's vision and strategic goals as set out in the Development Plan;
- The process covers all areas of risk, e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks;
- The process produces a risk exposure profile that reflects the Trustees' views as to levels of acceptable risk;
- The principle results of risk identification are reviewed, evaluated and managed; and ensure that the risk management is ongoing and embedded in management and operation procedure.

The Risk Committee of the Board of Trustees is responsible for overseeing the development and implementation of the risk management strategy.

The Academy's Senior Leadership Team (SLT) has responsibility for ensuring that the risk management policy is implemented and for coordinating risk management activity across the Academy.

The Principal and the SLT are responsible for ensuring that they take personal responsibility for championing risk assessment and management across the Academy and for reinforcing risk-aware attitudes and responses. Their role is to provide objective assurance to the Risk Committee of the Board of Trustees that:

- Risks are correctly evaluated
- Key risks are being managed appropriately including the effectiveness of the controls and other responses to them
- The risk management framework and internal control framework is operating effectively
- Management is properly reporting the status of key risks and controls.

## **Procedure**

### **Risk Identification**

The process of risk identification will involve both Trustees and the SLT.

Consideration will be given to the following factors:

- The vision, beliefs, values and strategic goals;
- The nature and scale of the Academy's activities, both current and planned;
- External factors that may affect the Academy such as legislation and regulation;
- The Academy's reputation with its key stakeholders;
- The operating structure, e.g. functions and issues that the Academy may face

### **Risk Assessment**

- Discuss and agree that all involved are satisfied with the list of risks;
- Determine the appropriate response to each risk;
- Assess existing controls and determine appropriate action;
- Allocate responsibility for action; and
- Agree future reporting and review procedures.
- Taking each of the risks in turn, discuss and rate them in terms of both likelihood and impact, e.g. 1 = Very Low to 5 = Very High.

A risk matrix will be used to plot each risk.

The assessment of each risk will take into consideration the control measures currently in place to manage the risk. The controls identified will be assessed to determine whether they are an appropriate mitigation of the risks identified. The value for money of the chosen responses needs to be considered, i.e. it is as important to avoid over-control of minor risks as under- control of serious risks.

With this exercise complete, the Risk Committee of the Board of Trustees will decide what their risk control measure is (tolerate, treat, transfer or terminate). This will determine what response the Board wishes to make to each risk.

These control measures are based on the "4 Ts" approach in the ESFA guide to risk management (linked below). However, as a general rule, it will depend on 2 factors: how much risk the Academy is willing to accept to achieve their objectives ('risk appetite'), and what the capacity and resources are for managing risks. The more appetite and capacity for risk the Academy has, the more likely to tolerate or treat risks. If the Academy has financial resource but not necessarily the internal expertise/people, the more likely to transfer.

<https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/academy-trust-risk-management>

## **Risk Register**

Any risks requiring treatment should be recorded in the Academy's risk register. The actions required to produce an acceptable control system will be identified and documented. Clear responsibilities should be allocated to these actions along with a deadline for the action to be completed and a scheduled date for review.

A final version of the register will be circulated to all senior members of the Trust so that they are aware of the risk management policy and the controls in place to limit exposure to risk.

## **Monitoring and Review**

The risk register will be reviewed regularly by SLT and the Risk Committee of the Board of Trustees to ensure that risks are identified and that appropriate controls and responses are in place and to ensure that;

- New risks/escalating risks are identified
- Planned actions are carried out in line agreed timescales
- Updating of the risk register as risks change over time
- Early signs of developing risks are identified

This policy is to be reviewed by the Risk Committee of the Board of Trustees annually alongside the Risk Register.