



The Federation of the Church Schools of
Shalfleet and Freshwater & Yarmouth

Together for a Brighter Future

RISK MANAGEMENT POLICY 2023-24

INCLUDING THE RISK REGISTER

Approved by	
Portfolio	
Approved on	
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Signed: _____ **Date:** _____

Risk Management Policy

Introduction

Identifying and managing the possible and probable risks that an organisation may face over its working life, is a key part of effective governance. By managing risk effectively, governors can help ensure that:

- Significant risks are known and monitored, enabling governors and the headteacher to make informed decisions and take timely action;
- To make the most of opportunities and develop them with the confidence that any risks will be managed;
- Forward and strategic planning are improved
- Aims are achieved more successfully

Reporting in its annual report on the steps the governing body has taken to manage risk helps to demonstrate accountability to employees and the school community.

The responsibility for the management and control of our schools' rests with the governing body and headteacher, and therefore their involvement in the key aspects of the risk management process is essential, particularly in setting out the process and reviewing the results.

Context

Organisations will face some level of risk in most of the things they do. The diverse nature of the education sector means that schools face different types of risk and levels of exposure. An essential question for schools when considering risk is whether or not, they can continue to fulfil their objectives now and, in the future, sustainably.

For example, in a period of economic uncertainty including post-Brexit, the major financial risks are likely to be:

- Changes to funding, including a reduction in pupil placement funding;
- 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.

Generally, risk is considered in terms of the wider environment in which the school 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 school is exposed to.

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

Classification and categories of risks

A system of classification is helpful for ensuring key areas of risk arising from both internal and external factors, are considered and identified, and our schools have used the model developed by the Charity Commission as its means of defining and assessing risk, in the following areas:

Governance risks

- Inappropriate organisational structure
- Governors lack relevant experience, skills or commitment
- Conflicts of interest

Operational risks

- Changes in local authority strategy for SEND provision
- Poor staff recruitment and training
- Doubt about security of assets
- Cyber-attack risk
- Health & Safety risk
- Strategic risk

Financial risks

- Inaccurate and/or insufficient financial information
- Inadequate reserves and cash flow dependency on limited income sources
- Reduced funding from the Local Authority
- Insufficient insurance cover

External risks and compliance with law

- Poor public perception and reputation
- Demographic changes such as an increase or decrease in the size of pupil numbers
- Turbulent economic or political environment
- Changing government policy
- Acting in breach of policy
- Poor knowledge of regulatory requirements e.g. failure of schools to be meeting at least 'Good' standards as per Ofsted Inspection framework, or failure to adhere to requirements of SEND Code of practice.

Strategic Approach

Following identification of the risks that the school might face, a decision is made about how those risks can be most effectively managed.

The Governing Body has adopted this Risk Management Policy to help them make decisions about the levels of risk that can be accepted on a day to day bases and what matters need to be referred to them for decision.

There are four basic strategies to manage an identified risk:

- Transferring the financial consequences to third parties or sharing it, usually through insurance or outsourcing
- Avoiding the activity giving rise to the risk completely, for example by stopping a particular activity or service
- Management or mitigation of risk
- 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 Governing Body take out an insurance policy that carries a higher level of voluntary excess or where the Governors recognise that a core activity carries a risk but take steps to mitigate it – public use of a school property would be such a risk.

Although there are various tools and checklists available, the identification of risks is best done by involving those with a detailed knowledge of the way the schools operate, and therefore the Headteacher working closely with the Governing Body, is pivotal.

Shalfleet & Yarmouth CE Primary school keeps a Risk Register, a working document owned by the Governing Body, with delegated responsibilities for ongoing review and oversight pass to the Finance Committee.

The risk identification process, whilst focusing on the risk to the school itself, is therefore also likely to include identifying risks that may arise in each school, as well as Federation activities.

The Governing Body will want to ensure that they are thoroughly familiar with the risk management procedures, with the results incorporated into the overall risk management processes of the Governing Body.

Risk Assessment and Categorisation

Identified risks should be put into perspective in terms of the potential severity of their impact and likelihood of their occurrence. Assessing and categorizing risks helps in prioritizing them, and in establishing whether any further action is required.

One method is to look at each identified risk and decide how likely it is to occur and how severe its impact would be on the schools if it did occur.

Risks that have very high impact and very low likelihood of occurrence, are now accepted by many as having greater importance than those with a very high likelihood of occurrence and an insignificant impact. In these cases, the concept of impact and the likelihood of risks occurring, is given prominence in both the risk processes.

If an organisation is vulnerable to a risk that potentially might have an extremely high impact on its operations, it should be evaluated, regardless of how remote the likelihood of its happening appears to be.

Schools need to find a balance and need to weigh the nature of risk and its impact alongside its likelihood of occurrence. With limited resources, the risks and the benefits or rewards from the activity concerned will need to be considered. It is important to bear in mind that on rare occasions improbable events do occur with devastating effect whilst at other times probable events do not happen.

A focus on high-impact risk is important, but what may be a lower impact risk can change to very high impact risk because of the possible connection between it happening and triggering the occurrence of other risks.

One low impact risk may lead to another and another so that the cumulative impact becomes extreme or catastrophic. Many studies have shown that most business failures are the result of a series of small, linked events having too great a cumulative impact to deal with rather than a single large event. If organisations only look at the big risks, they can often end up ill-prepared to face the interaction of separate adverse events interacting together.

The Governing Body has used the Charity Commission's 'risk calculations' recommendations, that uses:

- Likelihood of occurring (5=high, 1=low)
- Impact if occurs (5=high, 1=low)

And multiplies these together to provide an overall number which can be converted into 'response'.

Red – major or extreme/catastrophic risks that score 15 or more;

Yellow – moderate or major risks that score between 8 and 14; Blue or green – minor or insignificant risks scoring 7 or less.

Impact Descriptor	Score	Impact on service and reputation
Insignificant	1	No impact on service No impact on reputation Complaint unlikely Litigation risk remote
Minor	2	Slight impact on service Slight impact on reputation Complaint possible Litigation possible
Moderate	3	Some service disruption Potential for adverse publicity – avoidable with careful handling Complaint probable Litigation probable
Major	4	Service disrupted Adverse publicity not avoidable (local/social media) Complaint probable Litigation probable
Extreme/Catastrophic	5	Service interrupted for significant time Major adverse publicity not avoidable (national media) Major litigation expected Resignation of senior management and board Loss of beneficiary confidence

**Likelihood
Descriptor****Score Example**

Remote	1	May only occur in exceptional circumstances
Unlikely	2	Expected to occur in a few circumstances
Possible	3	Expected to occur in some circumstances
Probable	4	Expected to occur in many circumstances
Highly Probable	5	Expected to occur frequently and in most circumstances

Risk Management

Where major risks are identified, the Governing Body will make sure that appropriate action is being taken to manage them, including an assessment of how effective the existing controls are.

For each of the major risks identified, the Governing Body will consider any additional action that needs to be taken to manage the risk, either by lessening the likelihood of the event occurring, or lessening its impact if it does.

Once each risk is evaluated, the Governing will draw up a plan for any steps that need to be taken to address or mitigate significant or major risks. The implementation of appropriate systems or procedures allow the Governing Body to make a risk management statement in accordance with the regulatory requirements. Risk management aims to reduce the 'gross level' of risk identified to a 'net level' of risk, in other words, the risk that remains after appropriate action is taken.

Monitoring and assessment

The Governing Body should deal with new risks as they arise. It should also be cyclical to establish how previously identified risks may have changed.

Risk management is not a one-off event and is a process that will require monitoring and assessment. Senior leaders must take responsibility for implementation.

A successful process will involve ensuring that:

- New risks are properly reported and evaluated;
- Risk aspects of significant new projects are considered as part of project appraisals;
- Any significant failures of control systems are properly reported and actioned;
- There is an adequate level of understanding of individual responsibilities for both implementation and monitoring of the control systems;
- Any further actions required are identified;
- The Governing Body consider and review the annual process;
- The Governing Body are provided with relevant and timely interim reports.

To provide a systematic means of compliance, the Governing Body will hold a Risk Register. The register seeks to pull together the key aspects of the risk management process. It lists gross risks and their assessment, a numerical weighting, the actions and controls in place and can identify responsibilities, monitoring procedures and any follow up action required.

The Governing Body delegates ongoing monitoring and assessment of the Risk Register to the Finance Committee.

Risk Register – Annual Review

Governance Risks					
Specific Risks	Likelihood of occurring	Impact if occurs	Control procedures to reduce risk	RAG Rating	Responsibility Review
Difficulties in recruitment to Governing Body/falling numbers			Maintain contact with the Local Authority and other national organisation's for support and advice		Staffing Governors
Poor skill sets			Regular reviews of stills; training provided for 'skills gaps'		Chair
Poor attendance at meetings			Maintain and publish register of attendance at FGB and follow up on absent attendees without apologies		Clerk/Chair
Failure to comply with correct procedures/conflict of interests			Maintain Register of Interests; Chairs address any undesirable behaviours; revisit GB		Clerk/Chair
Scheme of Delegation ineffectively applied			Regular meeting between Chairs to understand decision making processes/overlaps/gaps		Chair
The future strategy for the school is insufficiently defined and lead, resulting in erosion of core offering or ability to extend education to other school settings			Governing Body develops 2020-21 Vision and Strategy Document, outlining key actions to be taken over the next 12 months.		Governing Body
Strategic risk, risk of the impact an uncontrollable event will have on the school e.g. pandemic, recession, war, oil crisis.			Regular meetings with the Headteacher. Follow government guidance and have robust risk assessments in place.		Governing Body
Strategic risk, natural disasters such as flood, fire, wind			Appropriate insurance in place		Governing Body
Operational Risks					
Specific Risks	Likelihood of occurring	Impact if occurs	Control procedures to reduce risk	RAG Rating	Responsibility Review
School leadership weakens/retention of senior skills			Capacity and succession plan – identification of middle leaders to take on further whole school responsibilities to build senior leadership team.		Governing Body

			Governors to work with the Headteacher to draw up succession plan for the Headteacher role Support for the Headteacher and increase involvement in financial and business management		
Human Resources Risk			Loss of key person, succession risk. Risk of low morale and lack of leadership		Staffing Governors Headteacher
School Business Management weakens/retention of senior skills resulting in reduced efficiencies, non-compliance, payment and payroll issues			Build skills of existing staff; explore re-alignment of roles and responsibilities across school administration; invest in best systems to drive efficiencies		Headteacher
Loss of Financial consultancy			Increase skills of school staff to take on further financial responsibilities		Finance Committee/Headteacher
Teacher Recruitment issues			Maintain attractiveness of workplace and opportunities for staff/career development		GB
New staff, parent helpers, club providers are not suitable			Recruitment Policy Procedures followed or developed, DBS checks in place and recorded, unsuitable behaviours are addressed immediately. Robust Single Central Record and induction procedures		Headteacher Safeguarding Governor SBM
Injury/fatality to adult or child whilst involved in school activities			Annual Health & Safety training, Employee H&S booklet, use of Good Skills (Every) incident reporting and review		Health & Safety Governor Headteacher SBM
Allegations made against senior members of staff			Regular LADO and Safeguarding training & updates. Reminders regarding conduct. All allegations reported to the governing body and LADO		Headteacher Staffing Governor
Cyber Attack the risk of losing all data and systems. GDPR breach			Cyber Attack policy to be developed and followed. External back up system in place and rotated. Regular password changes and advice from external agency		SBM Finance Manager Headteacher GB
Financial Risks					
Specific Risks	Likelihood of occurring	Impact if occurs	Control procedures to reduce risk		Responsibility Review

Major contractor/supplier level and quality of service diminishes			Regular reviews of all contracts over xxxxx; retendering for catering, payroll, auditors, solicitors, HR providers, ICT and financial systems if and when it is judged appropriate and cost effective		Finance Manager Finance Committee
Funding decreases; staffing costs increase			Develop new staffing strategy based on the assumption that real cost savings need to be realized over the next xxxx years		Headteacher Finance Manager
Overspending in budget areas leads to deficit			Provide each budget holder with expenditure amount for year (in agreement with SDP and other factors), and prevent overspending by setting limits (greater accountability)		Headteacher Finance Manager
Unforeseen capital expenditure items not covered by insurance			Closely adhere to Financial Procedures – prevent expenditure occurring without agreeing implications for overall budget		Headteacher Finance Manager
Costs to buy major new start up items for school cannot be covered by reserves			Regular Budget Monitoring; applications to DFC/LA/Diocese to cover unforeseen items		Headteacher Finance Manager Finance Committee
Costs of unexpected major repairs			Regular maintenance checks and reporting of areas of concern. Regular premises walks highlighting areas of concern. Regular monitoring/updating of Condition Survey		Headteacher Finance Manager SBM Finance Committee
Loss of financial data and financial records in the event of catastrophic event or significant data breach			Current financial systems are stored on a back up disk, the disk is kept in the safe. Regular audit by Governors of how key information is stored – if locally, how it is backed up, password protected and recovered		GB Headteacher Finance Manager SBM
Statutory returns on Pensions, HMRC, DfE and Companies House are not completed on time			Governors and Finance Committee receive regular updates from Finance and SBM team of compliance with statutory returns. Triannual update reports produced by Finance Manager for the Finance Committee.		Finance Manager Finance Governors
Risk of fraud/theft – loss of cash or opportunity to defraud			Control measures in place to ensure compliance and a robust banking procedure		Finance Manager Finance Committee
External and Compliance Risks					
Specific Risks	Likelihood of occurring	Impact if occurs	Control procedures to reduce risk		Responsibility Review

Employment/safeguarding or other significant legislative change is not addressed resulting in actions against the school and financial outlay			Regular cycle of key policy review and awareness training for all staff documented in training logs; Staff Handbook updated annually incorporating legislative HR change; all material updates noted to staff and governors.		GB Headteacher SBM
Data breach occurs; schools have not acted upon GDPR legislation with sufficient attention to all matters that might affect data handling; virus or data corruption			Data Protection Officers in place; GDPR Policy agreed and applied; key systems providers such as payroll, HR, Finance notified of GDPR school compliance; firewalls in place; regular monitoring of system by Wight Support; training updates for relevant staff		Chair SBM Headteacher Finance Manager
Incident that impacts on public perceptions of the school such as admission mistakes, bad publicity around event or staff member; major negative safeguarding incident			Headteacher fully briefed; clear and responsive single source of communication; relevant advice sought. Engagement with the Local Authority and Governors		GB Headteacher SBM
Incident that affects the schools' ability to continue such as fire, explosion			Other parts of the school building used if possible. Work set remotely until school can be re-opened. Business Continuity Plan and Emergency Plan in place.		GB Headteacher SLT