



SILCOATES

Independent education for boys and girls aged 3-18

Risk Management Policy

Rationale

This Risk Management Policy forms part of the School's internal control and corporate governance arrangements.

The policy explains the School's underlying approach to risk management, documents the roles and responsibilities of the Governing Body, committees with delegated powers, the Senior Leadership Team (SLT) and other key parties where appropriate. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

In addition, it describes the process the Governing Body uses to evaluate the effectiveness of the School's internal control procedures.

Underlying Approach to Risk Management

The following key principles outline the School's approach to risk management and internal control:

- the Governing Body has responsibility for overseeing risk management within the institution as a whole;
- an open and receptive approach to solving risk problems is adopted by the Governing Body;
- the SLT support, advise and implement policies approved by the Governing Body or those committees with delegated powers;
- the School makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;
- risk register owners are responsible for encouraging good risk management practice within their areas of responsibility;
- key risk indicators are identified and closely monitored on a termly basis by the Senior Management Team and committees with delegated powers.

Role of the Governing Body

The Governing Body has a fundamental role to play in the management of risk. Its role is to:

- set the tone and influence the culture of risk management within the School, including:
 - determining whether the School is ‘risk taking’ or ‘risk averse’ as a whole or on any relevant individual issue;
 - determining which 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 School;
- review the School’s Risk Register on a termly basis
- approve major decisions affecting the School’s risk profile or exposure;
- monitor the management of significant risks to reduce the likelihood of unwelcome surprises;
- satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively;
- annually review the School’s approach to risk management and approve changes or improvements to key elements of its processes and procedures.

Role of the Committees with Delegated Powers

The key roles of the committees with delegated powers, acting on behalf of the Governing Body, are to:

- review and evaluate the key risks identified by the SLT;
- review the School’s Risk Register on a termly basis;
- report annually to the Governing Body on the School’s systems of internal control and Risk Register;
- monitor the work of internal and external audit in respect of risk.

Role of the Senior Leadership Management Team (SLT)

The key roles of the SLT are to:

- develop and implement policies on risk management and internal control;
- review the School’s Risk Register on termly basis;
- identify and evaluate the significant risks faced by the School for consideration by the committees with delegated powers;
- provide adequate information in a timely manner to the committees with delegated powers on the status of risks and controls;
- Undertake regular reviews of the effectiveness of the system of internal control.

Risk Management as part of a System of Internal Control

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the School to respond to a variety of operational, financial, and commercial risks. These elements include:

- **Policies and Procedures**

Attached to significant risks are a series of policies that underpin the internal control process. The policies are set by the Governing Body and implemented and communicated by senior management to staff. Written procedures support the policies where appropriate.

- **Termly Reporting**

Comprehensive termly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Governing Body and committees with delegated powers.

- **Business Planning and Budgeting**

The business planning and budgeting process is used to set objectives, agree action plans and allocate resources. Progress towards meeting business plan objectives is monitored monthly.

- **High Level Risk Framework (Significant Risks only)**

This framework is compiled by the SLT and helps to facilitate the identification, assessment and on-going monitoring of risks significant to the School. The document is formally appraised annually by the Governing Body, but emerging risks are added as required, and improvement actions and risk indicators are monitored by the SLT and committees with delegated powers termly.

- **Risk Frameworks**

Risk register owners develop and use this framework to ensure that significant risks in their area of responsibility are identified, assessed and monitored. Emerging risks are added as required, and improvement actions and risk indicators are monitored regularly by departments.

- **Committees with Delegated Powers**

Committees with delegated powers are required to report to the Governing Body on internal controls and alert governors to any emerging issues. In addition, the committees oversee external audit and management as required in their review of internal controls. The committees are therefore well placed to provide advice to the board on the effectiveness of the internal control system, including the School's system for the management of risk. The Committees review the School's Risk Register each term.

- **External Audit**

External audit provides feedback to the Finance & General Purposes Committee (F&GP) on the operation of the internal financial controls reviewed as part of the annual audit.

- **Third Party Reports**

From time to time, the use of external consultants is necessary in areas such as health & safety and human resources, for example. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Annual Review of Effectiveness

The Governing Body is responsible for reviewing the effectiveness of internal control of the School, based on information provided by the SLT. Its approach is outlined below.

For each significant risk identified, the Governing Body will:

- review the previous year and examine the School's track record on risk management and internal control;
- consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.

In making its decision, the Governing Body will consider the following aspects.

- Control environment:
 - the School's objectives and its financial and non-financial targets;
 - the organisational structure and calibre of the SLT;
 - the culture, approach, and resources with respect to the management of risk;
 - the delegation of authority;
 - public reporting.
- On-going identification and evaluation of significant risks
 - timely identification and assessment of significant risks;
 - prioritisation of risks and the allocation of resources to address areas of high exposure.
- Information and communication
 - the quality and timeliness of information on significant risks;
 - the time it takes for control breakdowns to be recognised or new risks to be identified.
- Monitoring and corrective action:
 - the ability of the School to learn from its problems/challenges
 - the commitment and speed with which corrective actions are implement

Reviewed by:	Mr Johnson - Bursar		
Date of last review:	June 2020	Date of next review:	June 2021