



# FARNEY CLOSE SCHOOL

## Strategic Risk Assessment Policy

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<b>Approval Level</b>	<input type="checkbox"/> <b>Governing Body</b> <input checked="" type="checkbox"/> <b>Principal to Determine</b>
<b>Signed</b>	
<b>Role</b>	<b>Principal</b>
<b>Date Approved</b>	

## **How does the school view risk?**

The school views "Risk" as the uncertainty that can surround events and their outcomes, and which may have a significant effect on the school either by enhancing or inhibiting its operational performance, the achievement of its aims and objectives, its financial stability, and its charitable status. It would also consider an activity as a risk if it affected its ability to meet the expectations of stakeholder and partners, its ability to meet legislative compliance, or where the safety of its pupils and staff, resources or buildings are jeopardized.

The school sees "major risks" as those that have a high likelihood of occurring and would, if they occurred, have a severe impact on those areas identified above, or which could damage the reputation of the school, so changing the way parents and referring agencies, trustees, or its supporters might work with the school.

Risk management is not therefore purely seen as a compliance issue, or as being solely focused on the prevention of a disaster. Rather, the school sees it as an opportunity to focus on the mitigation of risks that would prevent it from achieving its strategic objectives and the quality of its education and care of pupils. In so doing, the school will be able to take opportunities and develop an understanding of the risks it faces, and being confident that it is taking reasonable steps to mitigate them.

## **What is the purpose of this Statement and Guidance?**

This statement and guidance is designed to help set a framework that will allow the school to identify the major risks that apply, to make decisions about how to respond to the risks it faces, to define a methodology whereby the schools senior leaders, governors, directors and employees can quantify risk, and what steps can be taken to mitigate it. It will define time periods and monitoring and evaluating processes in which risk may be reviewed. Essentially this will allow the Principal, the governors, and the directors, to make an appropriate statement regarding risk management in Annual Reports and inspections, and to assure all of those who work in partnership with the school that it has recognised its responsibilities and accountability.

## **How will risk be managed in the school?**

Having identified that the school will encounter risk through its everyday business, a decision needs to be made on how they will be managed. This will mean that all parties concerned will need make a decision on the levels of risk that can be accepted on a day-to-day basis and those matters that are assessed as being of a low, medium or even high risk, and how they will be dealt with. In seeking to achieve this, the school will apply a range of strategies to address its risks, e.g. transferring the financial consequences to third party through insurance, or by avoiding the activity giving rise to the risk completely, or through the management or mitigation of risk through a variety of strategies and controls.

In order to ensure that all areas of risk are covered, the school has identified five specific categories to be addressed when making its assessments:

**Governance Risks;** e.g. to ensure an appropriate organisational structure, monitoring of efficient running of the school, recruitment of governors or trustees with relevant skills, or site development.

**Operational Risks;** e.g. service provision, quality and development within the every day running of the school, employment issues; health and safety issues;

**Financial risks;** e.g. accuracy and timeliness of financial information, the adequacy of reserves and cash flow, investment management, and fraud and misappropriation.

**External risks;** e.g. public perception of the school, or adverse publicity.

**Compliance with law and regulation;** e.g. Safeguarding and Child protection, Law and guidance on Education and Child Care, breach of Trust Law, Employment Law, Health and Safety and GDPR.

The level of involvement in each category should be such that the employee, senior leader, governor, director, or school consultant e.g. Accountants, are able to make a positive statement on any risk that they have identified or be involved in, with reasonable confidence. This is likely to involve:

- Ensuring that the identification, assessment and mitigation of risk is linked to the achievement of the school's operational objectives;
- Ensuring the process covers all areas of risk.
- Ensuring that the process seeks to produce a risk exposure profile, which reflects levels of risk and identifies whether or not it is acceptable.
- Reviewing and considering the possible results of risk identified, and management.
- Ensuring that the risk management is ongoing and embedded in the management and operational procedures of the school.

### **What is the school process for identifying and managing risk?**

The key stages of this will include:

- Establishing a risk policy.
- The identification of risks and any controls already in place.
- Assessing risk.
- Evaluating what action needs to be taken to manage and control the risk.
- Periodic monitoring and re- assessment of the risk.

## **Risk Policy**

Risk is an inherent feature of all activity and may arise from inaction as well as new initiatives. By nature, the school and its pupils will have differing exposures to risk by way of its activities and will have different capacities to tolerate or absorb risks in an effort to achieve its aims and objectives, e.g. site development, fee increases. As such, it will need to understand its overall risk profile, ie the balance taken between higher and lower risk activities.

For this to be effectively managed, those responsible at a higher level will need to communicate the boundaries and limits they wish to set, ensuring that there is a clear understanding of the type of risks that are either acceptable or unacceptable. The risk assessment and evaluation will in turn inform senior leaders, governors and directors of the school's overall risk profile and of the steps that have been or will need to be taken to mitigate the risks identified. This will have the additional effect of providing quality information those responsible the development of relevant policies.

### **What are the identified risks and controls already set in place?**

As previously stated, the school has identified five specific categories of activity in which it might experience risk. As such, it is important to note that in each of five categories the school has taken the following steps to either inform or mitigate the risk.

#### **Governance Risks**

Guidance from relevant bodies, e.g. DfES, DoH, The Health and Safety Executive, The Charity Commission, the school's auditors, legal advisors and consultants, plus regular Governors and Directors Meetings.

#### **Operational Risks**

In this area in particular, the school recognises that the identification of risks is often best achieved by involving those with a detailed knowledge of the organisation's workings. However, it is also recognised that this can lead to risks being overlooked. Therefore, alongside the risk assessment by the school's employees, advice and guidance will be sought from consultants employed by the school, also through guidance and regulations on policy, practice and procedure from DfES, DoH, Health and Safety and Regulatory bodies, e.g. in relation to activities such as canoeing or trampolining,

Risks will also be assessed and mitigated through staff development and training, as well

as staff Supervision. In addition, the school has an extensive policy, practice, and procedure manual to guide and advise staff for the vast majority of situations that they are likely to encounter whilst working at the school. A staff hand book also exists to cover the school's expectations of staff whilst at work and when engaging with others.

## **Financial Risk**

Financial risk will be assessed and evaluated through the school's auditors. It will also be assessed via the schools finance sub-committee, which consists of three directors and a financial consultant. The Company Secretary will similarly ensure that risks are addressed. The school is also insured for Public Liability up to £10,000,000 and Employers Liability up to £10,000,000.

## **External Risk**

In order to try and offset risk, the school employs a range of consultants to offer advice and guidance to the school; it's senior leaders, governors and directors. The school currently engages consultants on Education, Finance, Management, Building Development, and has Legal advice from a firm of Solicitors.

The Governors will meet on an annual basis with parents in order to discuss the school's performance and any concerns they might have and there is Worries and Complaint procedure for both pupils and parents. In addition, the governors are on site on a regular basis in order to maintain an overview of the day to day running of the school. Such a precaution aims to quickly identify risk and to address it before it becomes a major concern.

Further external advice on risk will obviously come as result of inspections; Ofsted (Education), Ofsted (Welfare), Fire Inspection or Health and Safety Inspection. Also, through interaction and discussions with other agencies aimed at seeking information for quality assurance.

## **Law and Compliance**

The school will endeavour to ensure that it is compliant with all legislation, regulation and guidance that may be applicable to the school. In doing so, it aims to avert any risk to its pupil, its staffing and resources, its DfES recognition, its charitable status, and its credibility with those who place children at the school. In order to achieve this, the school will work within the terms of legislation in Education Acts, Child Care Acts and Care Standards, Health and Safety, GDPR and the framework and reporting procedures set out by Company Law.

In addition to the above, these processes will also consider;

- The schools core values, aims and strategies.
- The success factors that need to be achieved.
- Any other external factors that might affect the school but are not clearly apparent.
- Lessons learnt from previous mistakes and problems that the school has experienced
- Comparison with other schools working in the same area or of similar size
- The need to consult widely with key senior managers, line managers and staff
- The feasibility of holding internal workshops involving the management and staff to gather information.

It is important to appreciate that the process of risk identification will be as far as possible specific, reflecting the activities, structure and environment in which the school operates.

Therefore, the risk identification process may, whilst focusing on the risk to the school or an activity itself, identify other risks that may arise as a result of the process. Naturally these cannot always be predicted or planned for. Therefore, wherever such risks might occur and are identified, it is expected that employees, managers, governors, directors, or consultants will either inform either a Senior Leaders, The Chair of Governors, or a member of the Board of Directors, as soon as possible in order that it may be addressed.

Similarly, although the process of risk identification should be undertaken with care, the analysis will inherently contain some subjective judgments. As such, it must also be recognised that the process can only provide reasonable (not absolute) assurance to senior leaders, governors or directors that all relevant risks have been identified.

Naturally, judging the severity of impact of a risk on the school will also require careful consideration and may therefore include a level of subjective judgment. Where this is the case, it is important that the person assessing the risk both clarifies and justifies their judgment with a senior member of staff and or The Chair of Governor.

### **How will risk be assessed?**

Identified risks need to be put into perspective in terms of the potential severity of impact to the school and the likelihood of occurrence. Assessing and categorising risk assists the school in prioritising and filtering the risks identified and in establishing what further action (if any) is required and at what level.

Looking at the examples of good practice that already exists in other organisations, the school has decided to measure the likelihood of risk by quantifying its possible frequency of occurrence and the potential severity of the impact on the school should it occur. As such risk will be assessed as being High, Medium or Low.

It is important that all identifiable risks are assessed and that the school aims to ensure that none are ignored. For example, those risks with high potential severity of impact but low likelihood of occurrence need to be kept under review, possibly annually and will need some arrangements in place to ensure that they can be addressed should they arise. e.g. contingencies for dealing with a disaster. Similarly, consideration needs to be given to events that may be judged to be of low severity but with a high likelihood of occurrence and which, if un-reviewed, may become gradual drains on the school.

### **How will the school evaluate what action needs to be taken on risks?**

Where risks are identified, appropriate action is being taken to ensure that these are mitigated. However, it is hoped that the majority of risks have already been identified and addressed by those processes and controls highlighted previously.

## **What are the schools periodic monitoring and re-assessment arrangements?**

Risk management extends beyond simply setting out systems and procedures. Our aim is to ensure that the process is dynamic so that new risks are addressed as they arise. At the same time, all identified risks will be monitored and reassessed within a defined time period in order to establish whether or not the level of risk has changed and if the controls set in place are adequate.

Risk management is not viewed by the school as a one-off event. Rather, it is seen as a process that will require constant monitoring and re-assessment. Employees, senior leaders, governors and directors are all expected to take responsibility for implementation where designated or appropriate. This holistic approach is reflected in the school's risk assessment procedure and documentation, which aims to identify risks, people's responsibilities, strategies to address the risk, plus monitoring processes, revised strategies and review periods. It is expected that this will assure an identified communication process, whilst at the same time embedding risk assessment into the culture of the school.

It is likely that a successful risk assessment process will involve ensuring that:

- New risks are properly reported and evaluated.
- Risk aspects in relation to new projects are considered.
- Failures in control systems are properly reported, with new strategies are put in place.
- 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.
- Senior Leaders, Governors and Directors consider and review the annual process.
- Senior Leaders, Governors and Directors are provided with relevant and updated information.

## **Conclusion**

The school's identification of risk, via its risk assessment policy and process, will enable it to:

- Make a confident and positive statement to all interested parties that it has taken steps to demonstrate its accountability,
- Show that it has considered the safety and welfare of its' pupils and staff.
- Enable it to report to the Charity Commission "that major risks to which the school charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate the risk".
- Fulfill its legislative, regulatory and guidance responsibilities.
- Ensure that its operational infrastructure is sound.
- Ensure that significant risks are known, monitored, evaluated and planned for and reviewed.
- Ensure that risk assessment is utilised to inform future planning.