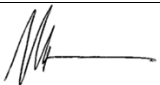


# Risk Management Procedures

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## RISK MANAGEMENT PROCEDURES

<b>Presented to OLOG Audit &amp; Risk Committee</b>	<b>06/10/21</b>
<b>Presented and Approved by OLOG Board of Trustees</b>	<b>13/10/21</b>
<b>Signature of Chair of Board of Trustees:</b>	
<b>Name of Chair of Board</b>	<b>Mick Coleman</b>
<b>Date</b>	<b>13/10/21</b>
<b>Version</b>	<b>5</b>
<b>Next review date</b>	<b>October 2022</b>

# Risk Management Procedures

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## **What is risk management?**

“Risk is defined as the uncertainty of outcome, whether positive opportunity or negative threat, of actions or events.”

(HM Treasury – The Orange Book, 2004)

## **What is risk management?**

“Risk management is the process which aims to give comfort to stakeholders that the organisation is being effectively managed and helps the organisation confirm its compliance with corporate governance requirements.”

(Institute of Risk Management)

## **Governance and Risk Management in Our Lady of Grace Catholic Academy Trust**

What is governance? - “..The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation.”

(Chris Cornforth, 2003)

What is the role of Trustees? - “The responsibility for the management and control of a charity rests with the trustee body and as such their involvement in the key aspects of the risk management process is essential.”

(Charity Commission – Risk Guidance)

Trustees / Directors are therefore focused on risks that:

- Might affect the achievement of the Academy’s strategic plan (Strategic Risks); and
- Highly critical operational risks

For the purpose of reporting on risk management these are considered to be the charity’s “major risks”.

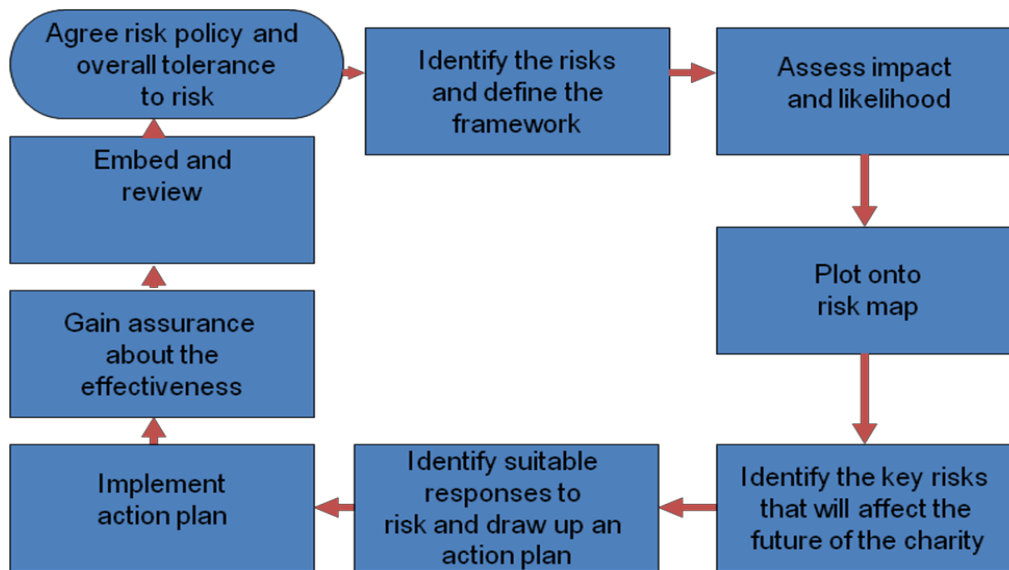
## **What is the regulatory requirement for risk management?**

The Charity Commission expects every charity to consider risk management. The Charities Statement of Recommended Practice (SORP) 2005 states:

“A statement should be provided confirming that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks”

# Risk Management Procedures

## Annual Risk cycle for Our Lady of Grace Catholic Academy Trust



Where possible the Academy Trust will seek to manage all significant risks by one of three options - avoiding, sharing/transferring, and mitigating risks. Where none are appropriate it may be necessary for the risk to be accepted as an aspect of the Trust's activities.

Gross risk represents the risk diagnosed through a combination of assessment of impact and likelihood. Retained (Net) risk represents the severity of the risk after the effects of risk management have been considered. Risk assessment, mapping the actions plans will be document annually in a risk register.

Effectiveness of strategic risk management will be considered throughout the year by Trustees / Directors and Trustees' / Directors committees (eg. the local governing bodies / committees of the local governing bodies) as set out in the risk action matrix below.

### Definitions

Likelihood:

1. Very Low = Improbable - will not occur in next three years
2. Low = Remote - unlikely to occur in next three years
3. Medium = Possible - may occur in next three years
4. High = Probably in next 12 months
5. Very high = Certain in next 12 months

Impact:

1. Very Low = Minor impairment in operational targets - rectifiable by teachers/middle managers (typically > £5,000)
2. Low = Achievement of objective in strategic plans significantly impaired - rectifiable by year group managers (typically > £10,000)
3. Medium = Failure to achieve objective in Strategic Directions - for consideration by Headteachers (typically >£50,000)
4. High = Critical impairment in achieving strategic plan- for consideration by governor committees (typically > £100,000)
5. Very High = Failure to achieve Academy's overall objects - for consideration by trustees / directors (typically >£250,000)

# Risk Management Procedures

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## Risk action matrix

This matrix considers a risk map for residual risks and identifies those with responsibility for ownership of the risk management process.

IMPACT					
Very high					
High	School SLT		LGB / Trustees		
Medium					
Low		Staff			
Very low			School SLT		
	Very low	Low	Medium	High	Very high

## Governor’s risk tolerance

All risk that fall into the red categories as indicated in the residual risk action matrix should be considered either by the full board of Directors.

## Links with other policies

- |  |                             |                                   |
|--|-----------------------------|-----------------------------------|
| Data Protection                              | Health & Safety             | Fire Risk Assessment / Evacuation |
| Staff Handbook                               | Equalities                  | Whistle Blowing Policy            |
| Financial Regulations                        | Conflict of Interest Policy | Anti-theft and Fraud              |
| Confidentiality                              | Generic Risk Assessments    | Procurement Policy                |
| Safeguarding Policy                          | Safer Recruitment Policy    | Medical Conditions in School      |
| Dealing with Allegations Against Staff       |                             | Inclusion Policy                  |
| Grievance Discipline & Capability Procedures |                             | Not for Profit Policy             |