



The Romero Catholic Academy
Nurturing the Talent of Tomorrow



Risk Management Policy 2019

Responsible for policy
Date of policy
Date approved by CC1
Date of review
Chair of Directors

CC1
July 2019
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Introduction

This Risk Management Policy (the policy) explains The Romero Catholic Academy's (the Academy) underlying approach to risk management. It gives key aspects of the risk management process and identifies the main reporting procedures. The policy is reviewed and amended, if appropriate, on an annual basis by the Directors.

Purpose

The policy forms part of the Academy's internal control and governance arrangements. The policy explains the Academy's underlying approach to risk management. It gives key aspects of the risk management process and identifies the main reporting procedures. It describes the process the Directors will use to evaluate the effectiveness of the Academy's internal control procedures.

Approach to Risk Management

The following key principles outline the Academy's approach to risk management:

- As the policy-making body of the Academy the Directors are responsible for risk management.
- The Directors are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the Funding Agreement and the Academies Financial Handbook (September 2019) issued by the Department for Education.
- There should be an open and receptive approach to resolving risk issues.
- The CC1 Committee advises the Directors on risk management.
- The Academy makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- All Directors and the Academy's Leadership & Management Teams across the eight schools are responsible for encouraging and implementing good risk management practice within the MAC.
- Early warning mechanisms will be put in place and monitored to alert the MAC to any risk events or near misses so that suitable remedial action can be taken to manage such risk positions.

Role of the Board of Directors:

The Board of Directors have a significant role to play in the management of risk. Its role is to set the tone and influence the culture of risk management within the Academy.

This includes:

- Determining whether the Academy is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue.
- Determining what 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 Academy.
- Determine the Academy's risk prioritisation protocol.
- Approve major decisions affecting the Academy's risk profile or exposure.
- Monitor the management of fundamental risks.
- To be satisfied that the less fundamental risks are being actively managed, with the appropriate level of controls in place and operating effectively.
- Review annually the Academy's approach to risk management and approve changes or improvements to key elements of its processes and procedures.



Role of the Principal and Leadership & Management Team within each school

Key roles of the Principal and Leadership & Management Team within each of the eight schools are to:

- Implement policies on risk management and internal control.
- Identify and evaluate the fundamental risks faced by the Academy for consideration by the CC1 Committee.
- Provide adequate information in a timely manner to the Directors /Audit Committee on the status of risks and controls.
- Assist the Board of Directors/Audit Committee to undertake an annual review of risk management and the effectiveness of the system of internal control.
- Embedding risk management as part of the system of internal control.

System of Internal Control

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

- Policies and Procedures
 - Attached to fundamental risks are a series of policies that underpin the internal control process. These policies are set by the Directors. Written procedures support the policies where appropriate.
- Development Planning and Budgeting
 - The development planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting development plan objectives is monitored regularly.
- Risk & Control Framework
 - This framework is compiled by the Board of Directors and helps to identify, assess and monitor risks significant to the Academy. Emerging risks are added to the **Risk Register** as required and improvement actions and risk indicators are monitored regularly.
- Risk & Control Process
 - Risk owners will meet termly to review the risks and strategies for managing them by using the Every Risk Management portal and report termly to CC1 and the Board. Board members will have access to the portal for monitoring purposes. Principals will engage in the process at the Business and Strategy meeting in the Spring term.
- Internal Audit and Scrutiny
 - Internal Audit is an important element of the internal control process. There will be an independent and objective programme of work, commissioned by the audit committee which will feed into the annual review of the effectiveness of the internal control system within the organisation.



- External Audit
 - External audit informs the Audit Committee who in-turn will recommend any actions to the Board of Directors, 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 may be appropriate in areas such as health and safety, Insurance and Human Resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

The Director's Annual Review of Effectiveness

The Directors, advised by the Audit Committee, will undertake an Annual review to consider:

- Whether risk management continues to be linked to the achievement of the Academy's objectives;
- The appropriate risk appetite or level of exposure for the Academy as a whole;
- Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the Academy's objectives;
- Whether risk assessment and risk-based internal control are embedded in ongoing operations and form part of its culture;
- Changes in the nature and extent of fundamental risks and the Academy's ability to respond to changes in its internal and external environment since the last assessment;
- The scope and quality of management's on-going process of monitoring the system of internal control including such elements as the effectiveness of assurance functions;
- The extent and frequency of reports on internal control to the Directors and whether this is sufficient for the Directors to build up a cumulative assessment of the state of control and effectiveness of risk management;
- The incidence of any fundamental control failings (risk events) or weaknesses identified at any point within the year (near misses) and the impact that they have had or could have on financial results;
- The effectiveness of the Academy's public reporting processes;
- The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.



Risk Appetite Statement

The Romero Catholic Academy (the Academy) recognises that it must take risks. Indeed, only by taking risks can it achieve its aims and deliver on our vision of providing “A Beacon of Excellence for Catholic Education”. It must, however, take risks in a controlled manner, thus reducing its exposure to a level deemed acceptable, from time to time, by the Board of Directors.

Methods of controlling risks must be balanced in order to support innovation and the imaginative use of resources, especially when it is to achieve substantial benefit. In addition, the organisation may accept some high risks because of the cost of controlling them. As an over-arching rule the Academy will seek to control all probable risks which have the potential to:

- cause significant harm to students, staff, visitors and other stakeholders
- compromise severely the reputation of the Academy or any of the constituent schools
- have financial consequences that could endanger the viability of the Academy or any of the constituent schools
- jeopardise significantly the Academy’s ability to carry out its core purpose of providing a Catholic education
- threaten the Academy’s compliance with law and regulation