

RISK MANAGEMENT POLICY

1. Background

We, South Yorkshire School Business Leaders C.I.C (“**SYSBL**”), are a C.I.C, a community interest company. Our work involves ~~consulting with various national and local policy makers and public sector bodies (including the Department for Education, the Education Skills and Funding Agency and local authorities) and our work involves supporting School Business Professionals in the South Yorkshire region through the creation of CPD and networking opportunities.~~ In light of this, we have implemented this Risk Management Policy to ensure that ~~we are following best practice our practice reflects the requirements in relation to risk management that SBPs in schools are mandated to implement.~~

The board of Directors of SYSBL is responsible for overseeing risk management across SYSBL and for implementing this policy. Key risk indicators will be identified, monitored and reviewed on a regular basis.

2. The role of the Directors of SYSBL

The Directors of SYSBL have ultimate responsibility for SYSBL’s proper management. Their role includes strategic oversight of SYSBL and ensuring appropriate governance arrangements are in place and implemented effectively. It also requires the formulation of appropriate policies to deal with issues, like risk, that the Directors must consider in the performance of their duties.

The proper management of risk must (as a matter of law) ultimately fall to the Directors and may not be delegated.

3. SYSBL approach to risk management

The Directors have adopted the following definition of risk for the purposes of this Policy: “*the uncertainty of outcome, within a range of exposure, arising from a combination of the impact and probability of potential events*”.

The essence of risk is uncertainty of outcome (which may be positive or negative). The term *exposure* refers to the combination of the *probability* of these potential events and the magnitude of their *impact*:

- *Probability*: the evaluated likelihood of a particular outcome actually occurring (including a consideration of the frequency with which the outcome may arise);
- *Impact*: the evaluated effect or result of a particular outcome actually occurring.

The task of *risk management* is the *limitation of exposure to negative risks* to an acceptable level, by *considering probability and impact in combination*. It therefore requires identification and consideration of all relevant factors, and where appropriate controlling such factors.

4. The Risk Matrix

The Directors will consider and assess risk by means of a risk matrix (the “**Risk Matrix**”). A model Risk Matrix is set out at Schedule 1.

5. Risk Assessment

The Directors shall consider risk by reference to an objective framework (the “**Risk Assessment Framework**”). A model framework is set out at Schedule 2 (dealing both with probability and impact).

6. Risk mitigation

The Directors shall consider how best to mitigate significant risks and agree appropriate actions to mitigate such risk by means of a risk action plan (the “**Action Plan**”), a model Action Plan is set out at Schedule 3.

Resources available to SYSBL may be limited and it is SYSBL’s aim in mitigating risk to achieve a proportionate response, prioritised in accordance with an objective assessment of each risk (in accordance with the Risk Assessment Framework).

7. On-going responsibility

The Directors shall continuously monitor and assess risk by means of the Risk Matrix and Risk Assessment Framework and take appropriate Action Plans as necessary.

Risk Management shall be a regular agenda item at meetings of the Directors.

8. Risk Management as part of the Internal Control System

SYSBL’s internal controls are an essential part of effective risk management. Key responsibilities of Directors that underpin these controls include:

- the duty of Directors to identify and assess risk and to take appropriate action in accordance with this policy;
- continuous monitoring of significant risks;
- the business planning and budgetary process is used to set objectives, agree action plans and allocate resources and throughout those processes due regard is had to Risk Matrices and implementation of Action Plans;
- progress towards meeting objectives is monitored regularly;
- significant strategic risks and how they are managed is monitored and agreed by the Directors on at least an annual basis;
- regular review of the overall picture ensures that emerging risks can be identified and assessed through the Risk Matrix and Assessment Framework as soon as they are identified; and
- all persons with management responsibilities are required to identify, monitor and review risk in their own areas.

9. Monitoring, Evaluation and Review

The Directors will review this policy periodically and assess its implementation and effectiveness.

10. Accountability

The Chair of Directors should inform the Directors of all matters relating to serious breaches of this policy including any major incident to be addressed under this policy promptly, preferably prior to action being taken insofar as is reasonably practicable.

Date of last review of policy: [DATE]

Commented [RE1]: We note that the board of directors will manage policies and procedures but would it be appropriate for the interim chair/Andrew to notify the directors of matters relating to serious breaches of this policy since they are likely to have a greater awareness of matters in practice?

Moving forwards, will this role still be named the Chair? It may be best to amend the role title since it could be confusing now that there is a Chair of the Directors.

Schedule 1- Risk Matrix – for Directors to consider and assess risk – to be monitored and reviewed

Date of Review

Compiled by

Reviewed by

RISK REFERENCE	THE RISK <i>WHAT CAN HAPPEN?</i>	SOURCE <i>HOW CAN THIS HAPPEN</i>	IMPACT <i>OF EVENT HAPPENING</i>	CURRENT CONTROL STRATEGIES <i>AND THEIR EFFECTIVENESS</i> (A) –Adequate (M) – Moderate (I) – Indadequate	CURRENT RISK LEVEL			ACCEPTABILITY (A/U)
					LIKELIHOOD	CONSEQUENCE	CURRENT RISK LEVEL	

Schedule 2 - Risk Assessment Framework – for consideration of risk by Directors - Completed by way of example only

		Consequence							
		Injuries or ailments not requiring medical treatment.	Minor injury or First Aid Treatment Case.	Serious injury causing hospitalisation.	Life threatening injury or multiple serious injuries, or involving safeguarding or related issues.	Death or multiple life threatening injuries.			
		Internal review	Scrutiny required by internal committees or internal audit to prevent escalation.	Scrutiny or investigation required by the C.I.C Regulator	Intense public, political and media scrutiny. Eg: front page headlines, TV, etc.	Critical failure.			
		1% of Budget	2.5% of Budget	> 5% of Budget	> 10% of Budget	>25% of Budget			
		Insignificant	Minor	Moderate	Major	Catastrophic			
		1	2	3	4	5			
Likelihood	>1 in 10	Is expected to occur in most circumstances	5	Almost Certain	M	H	H	E	E
	1 in 10 - 100	Will probably occur	4	Likely	M	M	H	H	E
	1 in 100 – 1,000	Might occur at some time in the future	3	Possible	L	M	M	H	E
	1 in 1,000 – 10,000	Could occur but doubtful	2	Unlikely	L	M	M	H	H
	1 in 10,000 – 100,000	May occur but only in exceptional circumstances	1	Rare	L	L	M	M	H

Schedule 3 – Action Plan

RISK REFERENCE	POTENTIAL ACTION OPTIONS	COSTS & BENEFITS	IS THE ACTION TO BE IMPLEMENTED (Y/N)	TARGET RISK LEVEL			RESPONSIBLE PERSON	TIMETABLE for implementation	MONITORING strategies to measure effectiveness of action
				LIKELIHOOD	CONSEQUENCE	TARGET LEVEL			