

Applecroft School



Risk Management Policy

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| Person Responsible: | Finance & Business Manager |
| Review Cycle: | Annually |
| Reviewed Date: | February 2026 |
| Next Review Date: | February 2027 |

Risk Management Policy

School Vision:

'To be a positive and inspiring community that nurtures each individual and empowers leaders for life'

School Mission Statement:

'Nurturing Potential, Inspiring Minds, Changing Lives'

School Values:

- Ambition and Leadership
- Kindness and Supportiveness
- Respect and Honesty
- Determination and Resilience

1. Purpose of this document:

This risk management policy forms part of Applecroft School's internal control and governance arrangements.

The policy explains the school's underlying approach to risk management, documents the roles and responsibilities of the Audit & Risk Committee, the risk management group and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures.

In addition, it describes the process the Audit & Risk Committee will use to evaluate the effectiveness of the school's internal control procedures.

2. Underlying Approach to Risk Management:

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

- The Board of Trustees has responsibility for overseeing risk management within the school as a whole
- An open and receptive approach to solving risk problems is adopted by the Board of Trustees
- The Headteacher and the Senior Leadership Team supports, advises and implements policies approved by the Board of Trustees

- The school makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risk
- Senior and middle managers are responsible for encouraging good risk management practice throughout the school
- Key risk indicators will be identified and closely monitored on a regular basis

3. Role of the Audit & Risk Committee:

The role of the Audit & Risk Committee in the management of risk is to:

- Set the tone and influence the culture of risk management within the school
- Determine whether the school is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue
- Determine what types of risk are acceptable and which are not
- Set the standards and expectations of staff with respect to conduct and probity
- Approve major decisions affecting the school's risk profile or exposure
- Monitor the management of significant risks to reduce the likelihood of unwelcome surprises or impact
- 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
- Report on all "treatable" risks identified in the Trusts risk register at designated full Board of Trustees meetings
- Undertake an annual review of effectiveness of the system of internal control and provide a report to the Board of Trustees

4. Role of the Risk Management Group:

Applecroft School has designated the Senior Leadership Team as the risk management group.

Key roles of the risk management group are to:

- Take overall responsibility for the administration and implementation of the risk management process
- Identify and evaluate the significant risks faced by the school for consideration by the Audit & Risk Committee
- Provide adequate information in a timely manner to the Audit & Risk Committee on the status of risks and controls

5. Risk Management As Part Of The 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:

a. Policies and Procedures

Linked to significant risks are a series of policies that underpin the internal control process. The policies are set by the Board of Trustees and implemented and communicated by the Senior Leadership Team to all staff. Written procedures support the policies where appropriate. Policies and procedures are reviewed by the person who has been allocated responsibility.

b. Regular Reporting

Comprehensive monthly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the risk management group and the Audit & Risk Committee.

c. 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 regularly.

d. High Level Risk Action Plan (significant risks only)

Significant risks (treatable risks) are identified from various sources and documents - the school improvement plan, internal audit reports, new projects, changes in demographics etc. The risk management group make a formal assessment of the impact and likelihood associated with the risk along with control measures to be implemented. Treatable risks are formally appraised at every meeting of the Audit & Risk Committee. Emerging risks are added as required and improvement actions and risk indicators are monitored regularly.

e. Departmental Risk Plans

Significant risks within departments are identified via the schools self-assessment process. Appropriate action plans are put in place to deal with issues identified.

f. Audit & Risk Committee

The Audit & Risk Committee, in their report to the Board of Trustees on internal controls, alerts Trustees to any emerging issues. In addition, the committee oversees internal audit, external audit and management as required in its review of internal controls. The committee is therefore well placed to provide advice to the

Trustees on the effectiveness of the internal control system, including the school's system for the management of risk.

g. Internal Audit Programme

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the school.

h. External Audit

External audit provides feedback to the Audit & Risk Committee on the operation of the internal financial controls reviewed as part of the annual audit.

i. Third Party Reports

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

6. Annual Review of Effectiveness:

The Audit & Risk Committee is responsible for reviewing the effectiveness of internal control in the school, based on information provided by the risk management group. Its approach is outlined below.

For each significant risk identified, the committee will:

- Review the previous years reports 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 Audit & Risk Committee members will consider the following aspects:

i. Control environment:

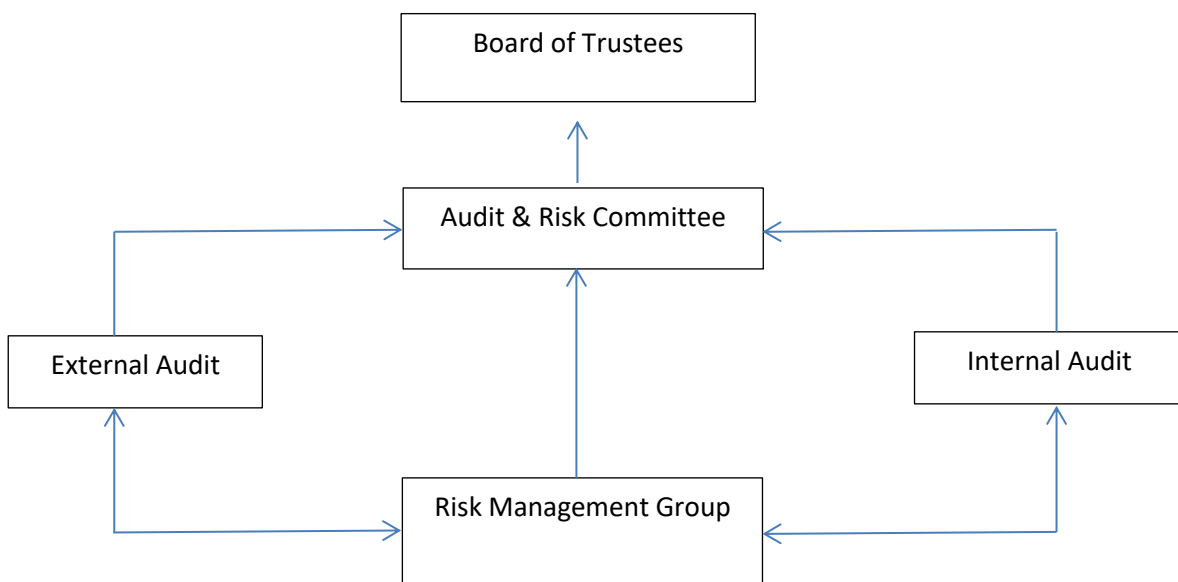
- The school's objectives and its financial and non-financial targets
- Organisational structure and calibre of the senior leadership team
- Culture, approach and resources with respect to the management of risk
- Delegation of authority

- ii. 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

- iii. Information and communication
 - Quality and timeliness of information on significant risks
 - Time it takes for control breakdowns to be recognised or new risk to be identified

- iv. Monitoring and corrective action
 - Ability of the school to learn from its problems and its commitment and responsiveness with which corrective actions taken are implemented
 - The Trusts internal auditors will prepare a report of its review of the effectiveness of the internal control system annually for consideration by the Audit & Risk Committee.

7. Risk Management Structures, Roles and Ownership:



A summary of the roles and responsibilities of each Board are set out below.

| Board | Expected role in risk management | Formal responsibilities |
|------------------------|---|---|
| Board of Trustees | <p>The Board of Trustees is expected to:</p> <ul style="list-style-type: none"> • Set the tone and influence the culture of risk management throughout the school • Approve all major decisions affecting the school's risk profile or exposure • Frequently 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. | <p>The Board of Trustees is ultimately responsible for the school's system of internal control and reviewing its effectiveness.</p> <p>The Board of Trustees needs to form an opinion on whether the school has set out, throughout the year, standards of good practice in leadership, effectiveness, remuneration and accountability. This will include:</p> <ul style="list-style-type: none"> • Reviewing the key tasks together with the controls which have been implemented to mitigate those risks • Confirming whether or not there has been a formal on-going process for identifying, evaluating and managing the school's significant risks • Reviewing the risk management process and its outcomes (via the Audit & Risk Committee). |
| Audit & Risk Committee | <p>The Audit & Risk Committee oversees internal audit, external audit and management as required in its review of internal controls. It is well placed to provide advice</p> | <p>The Audit & Risk Committee reports to the Board of Trustees on internal controls and alerts Trustees to any emerging issues. The Audit &</p> |

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| | <p>to the Board of Trustees on the effectiveness of the internal control system, including the school's system for the management of risk as part of its annual report.</p> <p>Undertake an annual review of effectiveness of the system of internal control and provide a report to the Board of Trustees.</p> | <p>Risk Committee meets on a termly basis.</p> |
| <p>Risk Management Group</p> | <p>The risk management group is comprised of all members of the Senior Leadership Team. Its main function is to:</p> <ul style="list-style-type: none"> • Implement policies on risk management and internal control • Identify and evaluate the significant risks faced by the school for consideration by the Audit & Risk Committee • Provide adequate information in a timely manner to the Board of Trustees and its committees on the status of risks and control | <p>Its responsibility is to support the Board of Trustees and associated committees in discharging their duties.</p> <p>It holds regular meetings to ensure all significant risks are identified and monitored.</p> |
| <p>Internal Audit</p> | <p>Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the school.</p> <p>Internal audit schedules will need to take account of the known risks and the resultant "treatable risks" in determining its strategic and annual plan of work.</p> <p>Internal audit should review and test the systems of control over the risk management process to provide assurance to the Audit & Risk Committee that the process</p> | <p>The school's internal auditors monitor the systems of internal control in accordance with an agreed plan of input and report their findings to the Trustees and Audit & Risk Committee. Senior Leadership is responsible for the implementation of agreed recommendations and a periodic audit undertaken will allow for follow up reviews to ensure such recommendations have been implemented.</p> <p>After each visit the internal auditors provide the Board of Trustees and the Audit & Risk Committee with a report on internal activity in the school.</p> |

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| | is well controlled and to confirm that the risk management processes are being carried out in accordance with the agreed procedures and in a timely manner. There should be an annual review included within the internal audit strategic plan. | The report includes an independent opinion on the adequacy and effectiveness of the school's system of internal control including internal financial control. |
| External Audit | <p>External audit will ensure that the annual risk management process has been undertaken.</p> <p>It is not the role of the external auditors to ascertain the robustness or accuracy of the risks identified or the internal controls over their operation. The auditors do not form an opinion on the effectiveness of the school's governance procedures or its risk and control procedures.</p> | External auditors express an independent opinion on whether the financial statements give a true and fair view, that monies expended out of funds have been properly applied for those purposes and managed in compliance with relevant legislation. |

8. Risk Management Reporting Process:

In order to ensure that the school minimises its exposure to risk and the potential effects of such risks the Senior Leadership Team and the Board of Trustees have agreed the following process in line with guidelines set out in this Risk Management Policy.

The Process:

- The Audit & Risk Committee will consider the Risk Management Policy and Risk Register on an annual basis. They will prepare a report for consideration by the Board of Trustees which:
 - Identifies and evaluates the significant risks faced by the school
 - Makes recommendations concerning the content of the policy, action plan and register
- The Board of Trustees will consider this report and approve any changes to the policy, and the risk register in the final meeting of the academic year.
- The Risk Management Group will:
 - Review the progress of significant and newly emerged risks

- Consider all risks, their status and their controls to ensure that they are still appropriate
- Where a weakness is identified agree clear actions, timescales and responsibilities
- Update the register as required

At the end of this cycle a report of the review will be presented at the next meeting of the Board of Trustees. Trustees will consider the report and its recommendations and approve any subsequent actions.