Risk Responses - Responses to risk can be divided into four response categories:

Transfer: For some risks the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks of risks to assets.

Tolerate: The exposure may be tolerable without any further action being taken. Even if it is not tolerable, ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be toleration. This option may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised.

Treat: By far the greater number of risks will belong to this category. The purpose of treatment is not necessarily to obviate the risk, but more likely to take control action to contain the risk to an acceptable level. Such controls can be **corrective, detective, directive or preventive** (see glossary)

Terminate: Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in the public sector when compared to the private sector; a number of activities are conducted in the public sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved.

Take the Opportunity: This option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating threats, an opportunity arises to exploit a positive impact. The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities – for example a drop in the cost of goods or services might free up resources for redeployment.

These risks need to be assessed for Probability and Impact using the following scale: Green: low risk, Amber: medium risk and Red: High Risk.

Probability

Level	Description	Detailed Description
5	Almost Certain	Expected to occur in most circumstances. Greater the 95% probability of occurring.
4	Probable	Will probably occur in most circumstances. 60% - 95% probability of occurring.
3	Possible	Might occur at some time. 20% - 60% probability of occurring.
2	Unlikely	Unlikely to occur. Between 10% and 20% probability of occurring.
1	Rare	May occur in exceptional circumstances. Less than 10% probability of occurring.

Colour Key Code
Low Risk (1 & 2)
Medium Risk (3 & 4)
High Risk (5)

Impact

Level	**Description**	**Financial**	**Time**	**Reputational**
5	Highly Significant	Huge financial loss, >10% of project cost.	Major disruption to the school and/or services or major failure to deliver vital services.	Serious major reputational damage inflicted, external intervention certain.
4	Major	Major financial loss, 5-10% of project cost.	Major disruption to the school and/or services or medium failure to deliver vital services.	Major reputational damage inflicted, external intervention likely.
3	Moderate	Medium financial loss, 2-5% of project cost.	Disruption to the school and/or services or short failure to deliver vital services.	Reputational damage inflicted, external intervention possible.
2	Minor	Minor financial loss, 1-2% of project cost.	Little disruption to the school and/or services.	Could affect reputation.
1	Insignificant	Little or no financial loss, >1% of project cost.	Inconvenience to the school and/or services.	Potential reputation issue.

MANAGEMENT COMMITTEE RISKS (Last reviewed by Committee: March 2022)

Risk No.	Category	Sub category	Specific	Probability of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response	Control procedures and target date	Person(s) responsible for action
M1	**Strategic & Reputational Risk**	**Charitable objects risk**	Charity is not operating within its objects	1	5	Treat	Annual review of activities and strategic plan against objects undertaken by the Headteacher & the Senior Leadership Team (SLT). Regular reports to Governors by the Headteacher.	Governors/ Headteacher/ SLT
M2	**Strategic & Reputational Risk**	**Charitable objects risk**	Charity's objects become out of date / are no longer appropriate	1	3/4	Treat	Governors and Headteacher review strategy and management accounts for direct charitable expenditure annually.	Governors/ Headteacher/ SLT
M3	**Strategic & Reputational Risk**	**Charitable objects risk**	Charity receives unfavourable Ofsted report	1	5	Treat	Monitoring teaching & learning to Ofsted specifications	Governors/ Headteacher/ SLT
M4	**Strategic & Reputational Risk**	**Charitable status risk**	Risk that charity could lose its charitable status	1	5	Treat	Governors and Headteacher review objects of the charity annually	Governors/ Headteacher/ SLT
M5	**Strategic & Reputational Risk**	**Long term demand risk**	Insufficient demand for charity's services leaves it unsustainable	2	4	Tolerate	School Development Plan, Academic Board, out-reach work with local primary schools, Open Evenings, premises / sports facilities let to local community groups. Currently over 700 Year 7 applications for 150 places. Need to maintain efforts to ensure as many Sixth Form places as possible are filled to ensure maximum financial efficiency.	Headteacher/ SLT/Business Manager
M6	**Strategic & Reputational Risk**	**Competition risk**	Presence of other organisations with similar objects and little scope for differentiation (students)	3	4	Treat	Staff and students participate in out-reach work with local primary students. Open evenings scheduled at appropriate times. Currently the government has no firm plans to increase the number of selective state funded grammar school.	Headteacher/ SLT
M7	**Strategic & Reputational Risk**	**Competition risk**	Other organisations competing for the same sources of income (non-pupils)	3	1	Treat	Headteacher & Business Manager regularly monitor opportunities for additional income. Where appropriate, the Business Manager works with relevant members of staff to prepare and submit bid for funding.	Headteacher/ Business Manager
M8	**Strategic & Reputational Risk**	**Stakeholder risk**	Beneficiaries/other stakeholders don't consider that charity provides a valuable/high quality service	1	4	Tolerate	Open Evenings, New Parents Welcome Evening, Meet the Tutor Evenings provide feedback to staff and SLT. Reported to Governors.	Governors/ Headteacher/ SLT/Tutors
M9	**Strategic & Reputational Risk**	**Alliance/ partnership risk (if arranged)**	Appropriateness of alliance	2	5	Tolerate	Close scrutiny of any agreement between School and Partners (if arranged)	Governors/ Headteacher
M10	**Strategic & Reputational Risk**	**Alliance/ partnership risk (if arranged)**	Integrity of partner risk	2	5	Tolerate	Close scrutiny of any agreement between School and Partners (if arranged)	Governors/ Headteacher
M11	**Strategic & Reputational Risk**	**Investment powers risk**	Risk of Governors not acting in accordance with their investment powers	1	5	Treat	Bank mandate limited signatory limits.	Governors/ Headteacher/ Business Mgr
M12	**Strategic & Reputational Risk**	**Insurance risk**	Risk of financial loss/inability to replace items if charity does not have adequate insurance cover	1	3	Treat	Comprehensive insurance cover held for the current year.	Governors/ Headteacher/ Business Mgr

Risk No.	Category	Sub category	Specific	Probability of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response	Control procedures and target date	Person(s) responsible for action
M13	**Strategic & Reputational Risk**	**Macroeconomic risk**	Risk of the impact an uncontrollable event will have on the charity e.g. recession, war, oil crisis	1	5	Tolerate	Contingency & disaster recovery planning to be developed. Draft disaster recovery plan (DRP) in process of being written.	Governors/ Headteacher/ SLT
M14	**Strategic & Reputational Risk**	**Natural disaster risk**	Risk of the impact an uncontrollable event will have on the charity e.g. fire, flood	2	5	Treat	There is a fire risk assessment plan and the Academy has adequate fire detection and fighting equipment. Alternative accommodation in an uncontrollable event could be sourced. Further accommodation would be provided through portable classrooms. Also refer to DRP.	Governors/ Headteacher/ SLT
M15	**Public Profile Risk**	**Charitable objects risk**	Charity not seen by public to be meeting its objects	1	2	Tolerate	Headteacher and SLT annually review activities and strategic plan against objectives. Regular reports to Governors by Headteacher.	Governors/ Headteacher/ SLT
M16	**Public Profile Risk**	**Charitable objects risk**	Objects of the charity are controversial or may attract a high level of public interest	1	2	Tolerate	Unlikely as the objects of the Academy is to provide education and lettings of facilities to the local community.	Governors/ Headteacher
M17	**Public Profile Risk**	**Trustee profile risk**	Governors have a high public profile and may cause the charity to attract publicity	2	3	Tolerate	Selection procedure for new Governors.	Governors
M18	**Public Profile Risk**	**Trustee profile risk**	Governors are seen by the public to be paid a high amount for expenses	1	1	Tolerate	Small amount of travel expenses have been paid to date. Governors' expense approval process is in place.	Governors/ Business Manager
M19	**Public Profile Risk**	**Trustee profile risk**	Governors are not considered to be arm's length from charity	1	3	Tolerate	Ensure transparency of disclosure in accounts and Annual Report regarding Governors/ maintain register of Governors interests. Trustee approval of accounts/Annual Report.	Governors/ Headteacher/ Clerk/Business Manager
M20	**Public Profile Risk**	**Quality of service/ product risk**	Charity provides a poor-quality service to its beneficiaries/ customers	1	2	Tolerate	Biannual parent survey and student survey to gauge quality of service deliver. Results reviewed by SLT & Governors and corrective action plan formulated as required.	Governors/ Headteacher/ Business Manager
M21	**Public Profile Risk**	**Fraud risk**	Fraud discovered at the Charity attracts bad publicity	1	5	Treat	Segregation of duties. Spot checks carry out by Business Manager & Headteacher. RO termly checks.	Governors/ RO / Headteacher / Business Manager
M22	**Public Profile Risk**	**Failure to comply with legislation risk**	Failure to comply with Health and Safety legislation results in an employee/ volunteer/beneficiary of the Charity being injured at work, attracting bad publicity	1	5	Treat	H&S legislation adhered to. Site Manager employed and trained in aspects of H&S. Risk assessments and procedures documented and distributed as appropriate. Staff H&S Focus Group meet 4 times a year. Termly report to Premises Committee by Site Manager.	Headteacher/ Business Manager/ Site Manager
M23	**Public Profile Risk**	**Failure to comply with legislation risk**	Failure to comply with employment law- e.g. unfair dismissal of an employee - attracts adverse publicity	1	5	Treat	The Academy uses Essex County Council HR Services for advice and support.	Headteacher/ Business Manager
M24	**Public Profile Risk**	**Litigation risk**	Charity is involved in litigation	1	5	Treat	Authorisation of legal action by Governors. Sufficient insurance cover for legal costs.	Headteacher / Governors
M25	**Governing Body Organisation Risk**	**Delegation risk**	Committees not established with delegated authority, e.g. finance, personnel etc.	1	2	Treat	Clear structure of approval authority. Any delegation by the Full Governing Body to another committee is minuted. Major decisions are then reported back and ratified at the next FGB mtg.	Headteacher/ Governors/ Clerk to Governors

Risk No.	Category	Sub category	Specific	Probability of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response	Control procedures and target date	Person(s) responsible for action
M26	**Governing Body Organisation Risk**	**Delegation risk**	Committee terms of reference not consistent / adequate etc.	1	2	Treat	Terms of Reference agreed annually for each committee.	Headteacher/ Governors/ Clerk to Governors
M27	**Governing Body Organisation Risk**	**Delegation risk**	Committee terms of reference not sufficiently flexible	1	2	Treat	Terms of Reference agreed	Headteacher/ Governors/SLT
M28	**Governing Body Organisation Risk**	**Delegation risk**	Governors delegate too little / too much to the Headteacher and/or Business Manager	1	3	Treat	Terms of Reference agreed	Headteacher/ Governors
M29	**Governing Body Organisation Risk**	**Headteacher/ Business Manager absence risk**	Governors do not ensure rigorous monitoring is undertaken in the absence of the Headteacher and/or Business Manager	1	2	Treat	Responsible Officer regularly reviews accounts. Finance Officer has access to financial system and payroll records.	Headteacher/ Business Manager/ Governors/ Finance Officer
M30	**Compliance – 6 Data Protection Act risk**	**Data Protection Act risk**	Risk that legislative requirements are not known or complied with	3	2	Tolerate	Staff to be briefed on DP on arrival and annually.	IT Manager/ Business Manager
M31	**Compliance – 9 Local Authority and Central Government risk**	**Licensing risk**	Risk that legislative requirements are not known or complied with	1	3	Tolerate	Licences are updated annually.	Business Manager / IT Manager
M32	**Operational – 1 Management information risk**	**Quality risk**	Risk that information produced (financial and non-financial) for Governors and SLT is not accurate or not in a format suitable for monitoring the performance of the charity	1	3	Treat	PS Financial implemented February 2011. Termly review by ECC Responsible Officer. Regular reports to Headteacher and Governors. Annual audit of accounts.	Governors /RO / Headteacher / Business Manager
M33	**Operational – 1 Management information risk**	**Timeliness risk**	Risk that management information is not available quickly after the period to which it relates	2	3	Treat	PS Financial implemented. Regular review by Responsible Officer. Regular reports to Headteacher and Governors. Annual audit of accounts.	Governors /RO / Headteacher / Business Manager
M34	**Operational – 1 Management information risk**	**Review risk**	Risk that management information is not subject to review	1	2	Treat	PS Financial implemented. Regular review by Responsible Officer. Regular reports to Headteacher and Governors. Annual audit of accounts.	Governors /RO / Headteacher / Business Manager
M35	**Operational – 1 Management information risk**	**Review risk**	Risk that action is not taken after the review of management information	1	2	Treat	Regular reports to Governors regarding issues and proposed action plan. Extraordinary meetings are called in exceptional circumstances.	Governors / Business Manager
M36	**Operational – 1 Management information risk**	**Quantity risk**	Risk that too little management information is produced to facilitate informed decision making	1	2	Treat	Governors request the Headteacher and SLT for sufficient, up-to-date information to be reported in and outside of scheduled meetings to enable to make more informed decisions.	Governors / Headteacher / SLT
M37	**Operational – 2 Human resources risk**	**Management risk**	Key person loss/succession risk SLT Level	2	4	Treat	Partial shadowing within each department. Need to include in DRP.	Headteacher / SLT
M38	**Financial – 13 Funds risk**	**Endowment risk**	Risk that capital in permanent endowment funds is not maintained	N/A	N/A	N/A	N/A	N/A