



# Greenholm Primary School

## Risk Appetite

### Policy statement of intent

To document the approach to risk and outlining the evidence needed to justify risk taking.

### Risk Appetite Overview

Risk appetite can be divided into five levels:-

- **AVERSE** – avoidance of risk and uncertainty is a key objective;
- **MINIMALIST** – preference for ultra-safe options that have a low degree of inherent risk and a small potential for limited reward;
- **CAUTIOUS** – preference for safe delivery options that have a low degree of risk and consequently may not achieve maximum reward;
- **OPEN** – willing to consider all delivery options and choose the one most likely to result in successful delivery whilst also providing maximum reward;
- **HUNGRY** – Eager to be innovative and choose risky options which have higher potential for reward.

### Responsibility for implementation

Greenholm Governors c/o the Finance Committee are responsible for the Risk Appetite/Approach. The Governors have delegated the implementation along with the monitoring to the Headteacher c/o the Business Manager & Academy Accountant. Governors will review Risk Appetite/approach policy and use these to evaluate the Risk Register as compliant and operating within tolerances.

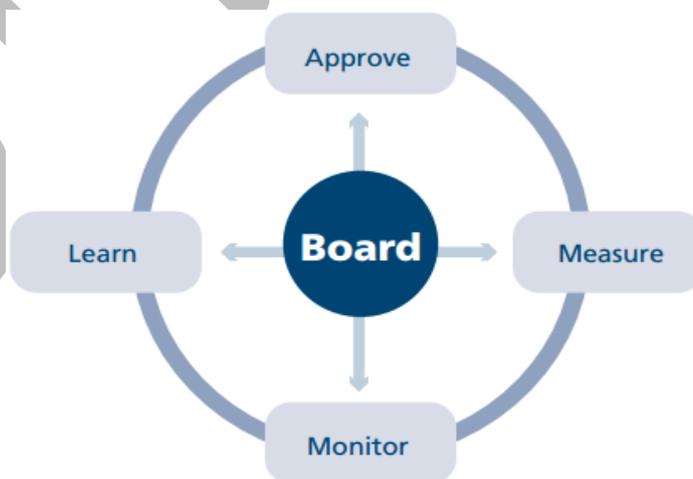


Figure 13 - Governing a Risk Appetite

Area for governance	Main components
1. Approve	Oversight of setting process
2. Measure	Measure and assess risk appetite to identify impact on business performance
3. Monitor	Identify breaches of, or tensions arising from risk appetite on a regular basis
4. Learn	What was good? What needs doing better? What needs changing



## Statement of Appetite

Greenholm Primary's risk appetite will not be static, and nor will it be the same in all areas of activity. The risk appetite will vary depending on circumstances at the time. The Academy will want to ensure that its overall level of risk is balanced, sustainable and appropriate and this balance is likely to be achieved with varying degrees of risk in different areas of the Academies activities.

The Greenholm Primary, in most instances, will err toward a minimalist appetite for risks but will judge each risk on its own merits. All Risk taking above Cautious will be taken with regard to the School Improvement priorities and document the control necessary and process needed to manage the BAU.

Any activity felt to be open or hungry will be presented to the Responsible Governors with a control strategy and benefit appraisal before the Risk is undertaken.

## 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 authorised by the Governors. 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 Business Manager 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.

- **Responsible Officer (RO)**

The academies RO will be an appropriately qualified and experienced individual not on the Academy staff, with the necessary financial interest and skills to be able to perform the role competently. The appointee will be able to show that the responsibilities being undertaken are fully understood and have sufficient understanding to recognise any irregularities which may arise and sufficient influence to ensure they are addressed.

- **External Audit**

External audit informs the Headteacher c/o Academy Accountant who in-turn will recommend any actions to the Governors, 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.