



## INTRODUCTION

Risk can be defined as uncertainty of outcome. Risk is ever present and a certain amount of risk-taking is inevitable if Everton Nursery School and Family Centre is to achieve its objectives.

Risk management implies adopting a planned and systematic approach to the identification, evaluation and control of the risks facing Everton Nursery School and Family Centre and is a means of minimising the costs and disruption to the school caused by undesired events.

Risk management covers the whole spectrum of risks and not just those associated with finance, health and safety and insurance. It also includes risks associated with public image (reputation), the environment, technology, contracts/partnerships, projects etc.

Everton Nursery School and Family Centre also has a responsibility to have in place arrangements for managing risks which ensure that it has a sound system of internal control and ensures that the financial and operational management of the school is effective.

## RISK MANAGEMENT AIMS AND OBJECTIVES

The aim of risk management is to ensure that the Everton Nursery School and Family Centre has an effective process to support better decision making through good understanding of risks and their likely impact.

The objectives of Everton Nursery School and Family Centre's risk management strategy are to:-

- Raise awareness of the need for risk management.
- Minimise loss, disruption, damage and injury and reduce the cost of risk, thereby maximising resources.

Our objectives will be achieved by:-

- Establishing clear roles, responsibilities and communication within Everton Nursery School and Family Centre for risk management;
- Monitoring progress in delivering the strategy and reviewing the risk management arrangements on an on-going basis;

- Ensuring that Everton Nursery School and Family Centre has an effective risk management process in place;
- Supporting the Leadership Team in the identification and management of Strategic Risks;

## MONITORING ARRANGEMENTS

Strategic risks will be identified at Leadership Team level and documented in Leadership minutes and shared with Governors through the Headteacher's Report and Committee meetings and main Governing Body meetings.

R52's and Local Authority Internal Audit will be used to carry out a periodic review of Everton Nursery School and Family Centre's risk management arrangements to provide independent assurance as to their effectiveness. Our School Emergency Plan and Business Continuity Plan support our strategy for Risk Management at Everton Nursery School and Family Centre.

Our own Internal Audit and precautions will:

- Identify and report weaknesses in the controls.
- Provide advice on the design/operation of the controls.

## RISK MANAGEMENT METHODOLOGY

There are 4 key stages in the risk management cycle, as illustrated in the diagram:-

## Risk Matrix

	Unlikely	Likely	Very Likely
Major	Medium	High	Extreme
Moderate	Low	Medium	High
Minor	Low	Low	Medium

### Levels of Risk

**Extreme** -These are classed as primary or critical risks requiring immediate attention. They may have a high or low likelihood of occurrence, but their potential consequences are such that they must be treated as a high priority. This may mean that strategies should be developed to reduce or eliminate the risks, but also that mitigation in the form of (multi-agency) planning, exercising and training should be put in place and the risk monitored on a regular frequency. Consideration should be given to planning being specific rather than generic.

**High** -These risks are classed as significant. They may have a high or low likelihood of occurrence, but their potential consequences are sufficiently serious to warrant appropriate consideration after those risks classed as Very High". Consideration should be given to the development of strategies to reduce or eliminate the risks, but also that mitigation in the form of (multi-agency) planning, exercising and training should be put in place and the risk monitored on a regular frequency.

**Medium** -These are risks that are less significant; however they may still have serious consequences. These risks should be monitored to ensure that they are being appropriately managed and consideration is given to their being managed under generic emergency planning arrangements.

**Low** - These risks are both unlikely to occur and not significant in their impact. They should be managed using normal or generic planning arrangements and require minimal monitoring and control unless subsequent risk assessments show a substantial change prompting a move to another risk category.

In our Risk Register, the default likelihood scale is –

- Unlikely
- Likely
- Very Likely

In our Risk Register, the default impact scale is –

- Minor
- Moderate
- Major

We recognise that not all factors are equally important and higher scores should be given to those risks considered to impact most on the achievement of objectives. We have accepted that the impact scores have been weighted to reflect that more significance should be given to those risks with a medium or high impact than those with a medium or high likelihood. For Example:

#### 4. Very Likely (Extreme)

- There is a high exposure to the risk
- Event expected to occur. Has occurred and will continue to do so without action being taken
- Indication of imminent occurrence
- There are external influences which are likely to make our controls ineffective

#### 3. Probable (High)

- There is a moderate exposure to the risk
- Reasonable to expect event to occur
- Has occurred in the past
- Is likely to occur within the Everton Nursery School and Family Centre's planning cycle
- There are external influences which may reduce effectiveness of controls

## 2. Possible (Medium)

- There is a low exposure to the risk
- Little likelihood of event occurring
- There is a potential for external influences which may reduce effectiveness of controls

## 1. Unlikely (Low)

- Extremely remote
- Not expected to occur but may do so in exceptional circumstances
- There are few or no external influences which may reduce effectiveness of controls

### IMPACT Score Description Indicative Guidelines

#### 5 Major/Serious Consequences

The consequence is so bad that urgent action must be taken to improve the situation or prevent it worsening

- Major loss, delay or interruption to services at Everton Nursery School and Family Centre
- One off event which would de-stabilise Everton Nursery School and Family Centre
- Financial loss, additional costs or loss of assets which would need a Everton Nursery School and Family Centre decision as the scale of the loss would be outside the school's budget and policy framework
- The risk will cause the objective not to be reached, causing damage to the organisation's reputation.
- Major complaints
- Significant adverse media interest
- Death or life threatening injury

#### 3 Moderate/ Disruptive

The consequence is sufficiently serious to require attention by the Leadership Team and/or the Governors:

- Significant loss, delay or interruption to services at Everton Nursery School and Family Centre
- Medium term impact on day to day efficiency or performance
- Financial loss, additional costs or loss of assets that is within Everton Nursery School and Family Centre's budget
  - The risk will cause some elements of the objective to be delayed or not achieved, causing potential damage to the organisation's reputation.
- Significant complaints
- Serious accident/injury (but not life threatening)

#### 1 Minor/Non-Disruptive

The consequences can be dealt with as part of the normal day-to-day business by the Headteacher/Leadership Team:

- Minor loss, delay or interruption to Everton Nursery School and Family Centre
- Short term impact on day to day efficiency or performance
- Negligible financial loss
- The risk will not substantively impede the achievement of the objective, causing minimal damage to the organisation's reputation
- No or minimal external interest
- Isolated complaints
- Minor accident/injury

Both gross and residual scores have been identified to effectively review and monitor the effectiveness of the controls in place.

- Gross Score - The level of risk faced before internal controls/mitigating actions have been applied/implemented.
- Residual Score - The level of risk faced after any internal controls/mitigating actions have been applied/taken into account. Internal controls are Everton Nursery School and Family Centre's policies, procedures and processes or any additional controls or mitigating actions taken to deal with a particular risk. A judgement by the Leadership Team/Governors will be

made as to the numerical reduction to the gross risk score to produce the residual risk score. The residual scores are then plotted onto the risk matrix, which will determine the risk priority.

Priority will be given by the Leadership Team and Governors to the High (red) risks which will require immediate action plans.

Medium (Amber) risks will require actions plans and/or to be closely monitored as appropriate.

Low-scoring (Green) risks can be “accepted” and will not require actions plans. However, these risks will need to be monitored by the Leadership Team/Governors to ensure that controls remain operational to manage them and that such risks do not run out of control and become Medium (Amber) or High (Red) risks.

Everton Nursery School and Family Centre Leadership Team and Governors recognise that most risks can be managed – either by minimising the likelihood of the risk occurring and/or reducing the severity of the consequences should the risk occur.

The benefits will not always be solely financial. The Leadership Team will use their own professional knowledge and experience to judge whether the financial cost of risk control is justified in terms of non-financial benefit to Everton Nursery School and Family Centre. On occasions, the Leadership Team may conclude that the cost of the control action may outweigh the benefits which will accrue to Everton Nursery School and Family Centre as a result of the action being taken.

Areas considered within the risk management strategy at Everton Nursery School and Family Centre are:

Leadership and Governance, Staffing Stability, Buildings (including IT) and Grounds, Finance and Budget Balance, Pupil Numbers and Pupil reduction.

To complete the risk management cycle, the Leadership Team and Governors will monitor and review:-

- The implementation of the agreed risk control action plan;
- The effectiveness of the action in controlling the risk; and
- How the risk has changed over time.

The Leadership Team and Governors will review the risk management strategy annually as part of their role to enable Everton Nursery School and Family Centre to be effective as a high quality educational organisation.