

RISK MANAGEMENT FOR ACADEMIES

Trustees of an academy trust have a responsibility to assess the risks that may be faced by the academy, both financial and non-financial. Bulley Davey uses a comprehensive risk management matrix to evaluate the risks an academy may face and the impact those risks could have on the well-being of the academy.

Our evaluation covers the following areas:

- *Mission/objectives*
- *Law and regulation*
- *Governance and management*
- *External factors*
- *Operational factors*
- *Human resources*
- *Environmental*
- *Funds*
- *Financial*
- *Funds and fundraising*
- *Fraud*

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Each area incorporates a number of identified risks and the relative importance of each risk is assessed – through consideration of the likelihood of it happening and the potential impact on the academy if it were to happen. The matrix uses a simple scoring system as follows:

Likelihood

- **(3) Likely:** Expected – more than even chance of happening
- **(2) Possible:** Even chance of happening
- **(1) Remote:** Extremely unlikely

Impact

- **(3) Critical:** Will make a material difference
- **(2) Major:** Will make a difference
- **(1) Manageable:** Impact deemed to be manageable

		Likelihood		
		Remote (1)	Possible (2)	Likely (3)
Impact	Critical (3)	M (3)	H (6)	H (9)
	Major (2)	L (2)	M (4)	H (6)
	Manageable (1)	L (1)	L (2)	M (3)

H = High Risk
M = Medium Risk
L = Low Risk

We work with trustees to produce a detailed report and agreed action plan which can be used to inform everyone involved in the leadership and governance of the academy. For more information, please call Ian Brown, Partner in charge of Academies on 01733 569494.