

RISK MANAGEMENT POLICY

Summary

Identifying and managing the possible and probable risks that the charity may face is a key part of effective governance. Trustees of Sparrow Schools Foundation are responsible for ensuring there is a regular review and assessment of the risks faced by the charity in all areas of its work and a plan for the management of those risks.

Introduction

- 1.1 Risk is defined as uncertainty surrounding events and their outcomes that may have a significant impact, either enhancing or inhibiting any area of the charity's operations. Risk is an everyday part of charitable activity and managing it effectively is essential if the trustees are to achieve their key objectives and safeguard the charity's funds and assets.
- 1.2 This policy outlines the basic principles and strategies that the charity applies to help manage its risks through ensuring significant risks are identified, known, managed and monitored, enabling trustees and the management team to:
 - make informed decisions about how to respond to these risks and take timely
 - action
 - make the most of opportunities and develop them with the confidence that
 - any risks will be managed
 - improve forward and strategic planning
 - achieve the charity's aims more successfully

Statement of Principles

- 1.3 The key areas of risk for the charity are identified, assessed and kept under review at appropriate intervals according to the assessed level of risk by the charity's senior management team following the Charity Commission Guidance [Charities and risk management - CC26](#).
- 1.4 The Managing Director of the Charity is responsible for ensuring that regular risk assessments are undertaken and reviewed by the Charity's senior management and that Trustees receive confirmation that this has been done together with a summary of the results, including a copy of the current Risk Register, on an annual basis, or more frequently if significant changes have emerged. This will enable Trustees to make the required risk management statement with reasonable confidence.
- 1.5 The identification, assessment and management of risk is set in the context of CC26 which divides the risks into the following categories:
 - Governance
 - Operational (and strategic) risk
 - Finance risk
 - Environmental and external risk
 - Law and regulation compliance risk
- 1.6 In addition to ongoing general risk assessment, the operational procedures for planning and execution of all significant charity activities and new initiatives include risk assessment and management specific to that activity.

Risk Management Statement

- 1.7 By law the Charity must make a risk management statement in their trustees' annual report
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confirming that the Charity Trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.