

## Risk Management Policy

This policy is a formal acknowledgement that the Board of Trustees is committed to maintaining a strong risk management framework. The aim is to ensure that Halcyon London International School (“Halcyon”) makes every effort to manage risk appropriately by maximising potential opportunities while minimising the adverse effects of risks.

This policy will be used to support Halcyon’s internal control systems, enabling Halcyon to respond to internally and externally driven operational, strategic and financial risks.

### 1. Risk policy statement

The Board of Trustees believe that sound risk management is integral to both good management and good governance practice. Risk management should form an integral part of Halcyon’s decision-making and be incorporated within strategic and operational planning.

Risk assessment will be conducted on all new activities and projects to ensure they are in line with Halcyon’s objectives and mission.

Any identified risks or opportunities arising will be assessed, analysed and reported at an appropriate level. If there are questions about the level at which the reporting should occur, the Chair of the Board will decide.

A risk register (Appendix A) covering key strategic risks will be reviewed at each Board meeting and maintained and updated once a year and more frequently where risks are known to be volatile.

All staff will be provided with adequate training on risk management and their role and responsibilities in implementing this. Individual error and incident reports will be required from individual staff where a reportable event is identified.

Halcyon will regularly review and monitor the effectiveness of its risk management framework and update it as considered appropriate.

Regular reports will be made to the Board of Trustees of continuing and emerging high concern risks and those where priority action is needed to effect better control.

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## 2. Halcyon's approach to risk management

The Board of Trustees have ultimate responsibility for overseeing risk management within Halcyon as a whole, including identifying, assessing and managing risks.

Halcyon's Director is responsible for encouraging good risk management practice within the areas of work undertaken by all Halcyon staff.

Key risks will be identified by the Board and Director and monitored on a regular basis.

## 3. Role of the Board of Trustees

The Board will:

- A. Set the tone and influence the culture of risk management within Halcyon. This includes:
  - i. communicating Halcyon's approach to risk
  - ii. determining what types of risk are acceptable and which are not
  - iii. setting the standards and expectations of staff with respect to conduct and probity
- B. Set the level of risk appetite and risk tolerance for the organisation as a whole and in specific circumstances
- C. Ensure risk management is included in the development of business plans, budgets and when considering strategic decisions
- D. Approve major decisions affecting Halcyon's identified risk profile or exposure
- E. Identify risks and monitor the management of fundamental risks to reduce the likelihood of unwelcome surprises
- F. Satisfy itself that the less fundamental risks are being actively managed, with the appropriate controls in place and working effectively
- G. Receive reports from internal audit, sub-committee, external consultants and any other relevant parties and to make recommendations on this
- H. Annually review Halcyon's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

## 4. Role of the Director

The Director will:

- A. Ensure that risk management policy is implemented throughout the organisation

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- B. Identify and evaluate the fundamental risks faced by Halcyon for consideration by the Board
- C. Anticipate and consider emerging risks and to keep under review the assessed level of likelihood and impact of existing key risks
- D. Provide regular and timely information to the trustees on the status of risks and their mitigation
- E. Implement adequate corrective action in responding to significant risks; to learn from previous mistakes and to ensure that crisis management plans are sufficiently robust to cope with high level risk
- F. Undertake an annual review of effectiveness of the system of internal control and report to the Board.

## 5. Role of all staff

Take responsibility for managing project-specific operational risks and for ensuring that risks are reported upon in a timely fashion through designated lines of reporting.

## 6. Risk management process

The following processes enable Halcyon to respond to a variety of operational, financial, and commercial risks.

### A. Policies and procedures

Attached to fundamental risks are a series of policies that underpin the internal control process, including control over bank payments and receipts, authorisation of and processing of expenditure and approval required at particular levels of decision making. The policies are set by the Board and implemented and communicated to staff. Written procedures support the policies where appropriate.

### B. Reporting

Comprehensive reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Board.

### C. Business planning and budgeting

The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly

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### D. External audits and Third party reports.

External audit provides feedback to the Board on the operation of the internal controls reviewed as part of the annual audit. Halcyon will rely on the reviews provided by the IB Organisation, NEASC, Ofsted/DfE, UKVI, Peninsula Health and Safety Audit, and the accountants report for the Charity Commission audit, among others.

Occasionally, the use of external consultants will be necessary in areas such as safeguarding, health and safety, HR/recruitment, accounting and other areas of statutory compliance. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

In addition to the above, Halcyon expects to meet minimum standards required by legislation and best practice in operational areas covering the following:

- I. Safeguarding
- II. Health and safety
- III. HR/recruitment
- IV. IT and data protection
- V. Governance
- VI. Financial accounting and reporting
- VII. Management of volunteers.

The risk of falling short of these standards is mitigated as far as possible by ensuring that appropriate policies and working practices are adopted in each of these key areas and that staff are adequately experienced and trained to manage this. Where necessary, external advice is sought to supplement internal expertise.

## 7. Annual review of effectiveness

The Board is responsible for reviewing the effectiveness of internal control of Halcyon, based on information provided by the Director.

For each fundamental risk identified, the Board will:

- A. review the previous year and examine Halcyon's track record on risk management and internal control
- B. consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.



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In making its decision the Board will consider the following:

C. Control environment

- I. Halcyon's objectives and its financial and non-financial targets
- II. organisational structure and calibre of the staff
- III. culture, approach, and resources with respect to the management of risk
- IV. delegation of authority
- V. public reporting.

D. On-going identification and evaluation of fundamental risks

- I. timely identification and assessment of fundamental risks
- II. prioritisation of risks and the allocation of resources to address areas of high exposure.

E. Information and communication

- I. quality and timeliness of information on fundamental risks
- II. time it takes for control breakdowns to be recognised or new risks to be identified.

F. Monitoring and corrective action

- I. ability of Halcyon to learn from its problems
- II. commitment and speed with which corrective actions are implemented.

The Director will prepare a report of their review of the effectiveness of the internal control system annually for consideration by the Board.

*Approved by Board of Trustees, 26 May 2015.  
Reviewed and approved by Board of Trustees, 24 March 2022.*

*This policy will be reviewed in accordance with the curriculum review cycle, or more regularly in light of any significant changes in statutory requirements and legislation.*

