

Foreword

Academies, sixth form colleges and other further education institutions face a wide range of risks: financial, educational, legal and reputational. Internal and external factors can all threaten the achievement of objectives, and institutions must have arrangements in place for identifying, evaluating and controlling the risks that they face. These risk management arrangements need to be effective, but also flexible enough to ensure that institutions do not miss opportunities by being too risk averse. The aim should be to develop a framework and culture that is ‘risk aware’.

This guide offers support to all those with a role in risk management: the governing body, the audit committee, senior management, departmental managers, and assurance providers, including external and internal audit. It covers the risk management process, and examines how effective risk management can be developed and incorporated into an institution’s operations rather than being seen as yet another box to tick.

Institutions will approach the risk management process in different ways according to their size, structure and circumstances. The final chapter to this guide provides examples from academies and further education institutions, and from higher education institutions – a sector where risk management is now well embedded. The examples show not just how risk management has evolved over time, but also how institutions can and should approach it in a manner that is proportionate to the risks to which they are exposed.

I hope that CIPFA’s guide will be of value to all those involved with considering and taking responsibility for risk in their institutions, including governing body members, senior managers, assurance providers, and advisers.



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