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www.soane.org
Charity No: 313609

Risk Management Statement

1. Risk Appetite

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within the Museum is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks.

The Museum considers risk-taking inevitable and vital to its success. To present fragile objects for public view in a domestic setting comes with inherent risks. As does the Museum's funding model, which relies on income from changeable revenue streams such as private individuals, trusts & foundations and commercial activities. Simply connecting to the Internet carries risks. The Museum's approach across its activities is to balance risk against possible consequences, while taking into account the Museum's public purpose and the nature of the opportunity. The Museum's risk appetite varies according to the nature of the risk. The Museum has a low tolerance for risks relating to safety, legal and regulatory requirements, and information and security; a moderate tolerance for operational, reputational and technology risks; and acknowledges the need for higher tolerance for commercial and project/ programme risks in order to deliver its objectives.

Risk exposure must provide an acceptable level of reward and value for money. In managing risk, the Museum will ensure a high level of assurance is in place. There is zero risk appetite for compromising the safety, security or legal position of the Museum or its visitors. There is, however, medium appetite for reputational risk within the bounds of a programme designed to broaden and engage audiences. There is a medium appetite for risk in researching and developing new funding streams. The Museum's approach to risk takes into account DCMS guidance on management of risk as well as best practice advice from the National Audit Office and risk management standards.

The Museum assesses risk through consideration of the likelihood of something happening, and its potential impact.

Risk management within the Museum includes:

- Identifying options and selecting the one most likely to result in success;
- identifying and assessing risks (the 'inherent risks');
- assigning each of those risks to an individual risk owner;
- evaluating the effectiveness of relevant mitigating controls;



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- assessing the remaining risk given the controls in place (the 'residual risks'); and
- agreeing, implementing and monitoring controls to reduce residual risk.

2. Roles and responsibilities

Risk management is everybody's responsibility and is embedded within the Museum through established planning processes which ensure that risks to achieving projects and initiatives are identified at each stage of project planning and implementation.

The Board of Trustees has statutory duties relating to the general management and control of the Museum. The Board appoints the Director, defines the strategic direction of the Museum, and approves its execution through the Strategic Plan drawn up in consultation with the Director and Senior Management Team.

The Director is the Accounting Officer for the purposes of reporting to the Department for Digital, Culture, Media and Sport (DCMS), and has overall responsibility for the Museum's risk management framework.

The Finance, Audit and Risk Committee (FARC) supports the Board and the Accounting Officer in fulfilling their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances provided to them.

The Committee normally reviews the Risk Register and actions taken at each of its meetings, with the Key Risk Register going to the Board at least once a year. In addition to a rolling programme of review, FARC focuses on the highest rated residual risks in terms of their likelihood and impact and examines topical risks that arise. The annual audits (internal and external) routinely require managers to provide assurance that risk management and internal controls are thoroughly understood and effectively implemented at operating level.

The Chairman of the FARC reports to the Board of Trustees at least annually with regard to the effectiveness of risk management and the system of internal control and as required for emerging issues related to risk management.



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The Senior Management Team reviews risks, and receives and considers reports or recommendations for action or decision.

A risk owner is designated for each risk on the Risk Register – sometimes more than one person is named if an activity is managed across Museum departments. Risk owners will ensure that they address identified risks and will be required to monitor the status of their portfolio of risks in accordance with the annual reporting cycle. The allocation of risks to risk owners will be reviewed at least on an annual basis but is normally reviewed each time the Risk Register is updated.

Internal Audit provides an independent review of the internal controls, including risk management. In addition to reports on individual reviews of different areas of work, the programme of Internal Audit produces an annual report giving an opinion of the overall adequacy and effectiveness of the risk management, control and governance processes.

This statement approved by the Trustees Audit and Risk Committee: July 2024
Due for review: latest 2029

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