SIR JOHN SOANE'S MUSEUM LONDON

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Charity No: 313609

Risk Management Statement

1. The Active Management of Risk management at SJSM

SJSM Trustees and Director consider risk-taking inevitable and essential in order to fulfil the Soane's public purpose. 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 resources available for managing risk are finite. The Museum's approach across its activities is therefore to balance risk against possible consequences, while taking into account its public purpose and value for money, within a prioritised evaluation of risk set by the Board.

The Museum's approach to risk takes into account Department for Culture, Media and Sport (DCMS) guidance on management of risk as well as best practice advice from the National Audit Office and the Orange Book. It is also informed by the Museum's internal audit programme. The Museum assesses risk through consideration of the likelihood of something happening, and its potential impact, with and without mitigation.

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 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.

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.

3. Risk Appetite

The Museum's risk appetite is set by the Board and varies according to the nature of the risk (scored as zero, low, medium or high), as follows:

Risk	Description	Risk Appetite	Comments
Security	Protecting the collection and buildings from damage. Includes conservation and estate maintenance practices as well as the functioning of our security systems, protocols for museum visitors, controls on visiting contractors and how we secure our perimeter and roof	Low	Not possible to meet our public purpose with zero risk
Theft	Securing the integrity of the collection	Zero	
Fire and flood	Includes prevention, precautions and response if ever needed	Zero	
Safety	Includes the workplace safety of staff and care for the Museum's visitors, within the constraints of the historic fabric	Low	The buildings present unavoidable risk, for example in the original staircases
External events including terrorism	Physical threats to our visitors, staff and buildings, including for visitors waiting outside the building	Low	Aim is to rehearse responses, perform to the best of our ability in an incident and be resilient after an event

Legal and Regulatory	Operating in compliance with the law and Charity Commission guidance	Zero	
IT	Cyber-security and loss of data or ability to operate	Low	Given the limited resources available, even low risk is a stretch
Operational	Including recruitment/retention and delivery of projects	Medium	Inherent risk in a small team with limited back-up
Reputational	The Museum embarrassing itself or DCMS, through a governance failure, fraud or poor alignment on a controversial or political topic	Low	Potential impact on many of the other risk headings
Financial	Financial sustainability	Medium	Inherent uncertainty around sourcing of funds, against a backdrop of rising costs
Commercial	Revenue raised by SJE	Medium	Entrepreneurial activity, some inherent unpredictability
Programme	Special exhibitions and other public programming, including risks both in preparation and ultimate reception	Medium	Artistic endeavour involves risk-taking

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