

Risk Management Policy



Review Date

December 2023

Ratified

19 November 2023

Next Review Date

November 2025

Responsible Directorate

Chief Executive Officer

Our Trust

*These four critical questions make it clear who we are and what we do.
We ask ourselves these questions to guide our work and our improvement.*

Why do we exist?

To **transform life chances** by achieving the highest possible standards and preparing all our students to lead successful lives.

How do we behave?

- **Hard work**
We are determined to see things through to the end and are resilient when faced with challenges.
- **Integrity**
We do the right thing because it is the right thing to do.
- **Teamwork**
We work together to help everyone succeed.

What do we do?

- We educate, safeguard and champion all our learners.
- We set high standards for ourselves and our learners.
- We build the powerful knowledge and cultural capital which stimulate social mobility and lifelong learning.

How will we succeed?

1. Aligned autonomy
2. Keeping it simple
3. Talent development

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1 | Introduction

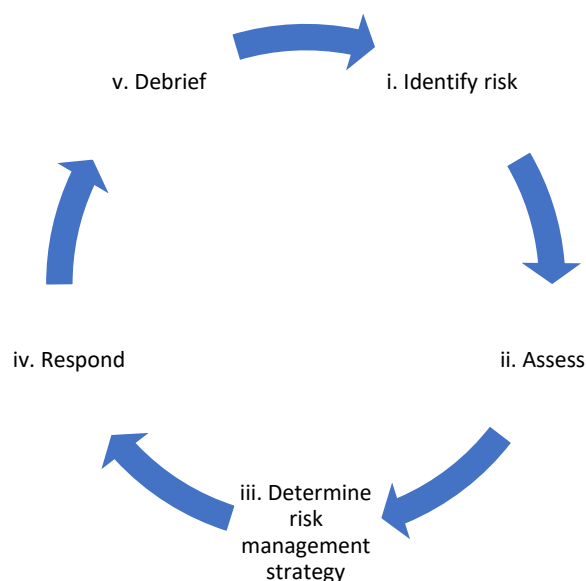
- 1.1 Risk management involves the identification, measurement, management, monitoring and reporting of threats to our business objectives. Such threats could arise from a wide variety of sources, including financial uncertainty, IT security, management errors, accidents, natural disasters, and so on. We are committed to understanding the risks that we are faced with and for managing risks, through appropriate mitigation strategies, in a constructive way as to not prevent us from benefiting from potential reward opportunities. Total risk elimination can lead to the elimination of reward too, either by the total avoidance of exposure or the prohibitive cost of prevention.
- 1.2 We are committed to minimising risk through a framework of integrated governance supported by a proactive risk management culture. Risk can be defined as the combination of the potential likelihood of an event and its impact. In managing our academies there is the potential for events and consequences that constitute opportunities for benefit or threats to success. Risk Management is concerned with both positive and negative aspects of risk. In the safety field, it is recognised that consequences are only negative and therefore the management of safety risk is focused on prevention of harm.

2 | Approach to Risk Management

- 2.1 This policy forms our approach to Risk Management.
- 2.2 Risk management is a central part of our strategic management and culture. It is the process whereby we methodically address the risks attached to our activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.
- 2.3 The focus of good risk management is the effective identification and treatment of risks. Its objective is to add the maximum sustainable value to all our activities. It focuses on understanding the potential upside and downside of all those factors, which can affect our organisation.
- 2.4 Colleagues at all levels throughout the Trust have risk management and awareness of risk as a key element of their job description. This supports accountability, performance measurement and reward, thus promoting proactivity. There is an open and receptive approach to mitigating risk.
- 2.5 Key indicators for risk management are developed, implemented, and reviewed to measure the effectiveness of the risk management process.
- 2.6 The policy clearly identifies the appropriate reporting procedures of risk.
- 2.7 The Trust Board is responsible for risk management; with the Audit and Risk Committee advising the Trust Board.

- 2.8 Local Governing Bodies should assure themselves that good risk management practice is embedded while scrutinising the management practice within the Academy or academies for which they are responsible. The LGB should also contribute to Trust wide understanding of risk.
- 2.9 Principals (assisted by Directors of Education and Executive Principals) of each Academy are responsible for ensuring an up to date risk register is maintained in line with timetables set and that they encourage and implement good risk management practice within their areas of responsibility.
- 2.10 Operational directorates are responsible for ensuring regular updates to risk registers is maintained in line with timetables set and that they encourage and implement good risk management practice within their areas of immediate responsibility.
- 2.11 The CEO has a moderation role and should discuss the key risks at each Academy with the Deputy CEO (Education), Directors of Education, Executive Principals and Principals; and similarly with the operational directorates (through the Deputy CEO (Finance and Operations) and operational Directors) and report outcomes of these discussions to the Audit and Risk Committee.
- 2.12 The risk register is reviewed at ELT meetings to agree upon the key risks with the Trust and the approach needed to mitigate them.
- 2.13 Identified risks are controlled by risk assessments and monitored and reviewed through the risk register.

3 | Risk Management Cycle



i. Identifying risks

3.1 Risk identification cannot be centralised to a core team or function, it must be a fluid part of the day to-day operation of the Trust. Risk identification is a core competency and is developed through the performance management process.

3.2 We work to a framework of nine key areas to identify and classify risks. This allows the Trust to take into consideration both internal and external factors that can positively or negatively affect the organisation.

3.3 A list of risks is identified using a variety of techniques including data analysis, risk identification workshops, options appraisals and incident investigation among others.

3.4 Risks will be categorised into the following headings on the Trust risk register. The finance department maintains the risk register:

1. **Safeguarding** e.g. the failure to safeguard and promote the welfare of our pupils
2. **Strategic (including education)** e.g. local, national and international political factors that can affect the Trust. Social and cultural dynamics affecting the education system.
3. **Financial** e.g. internal or external micro- or macro- economic factors.
4. **Health & Safety (including Trips)** e.g. the main sources of harm to colleagues, pupils and visitors
5. **Estates** e.g. the failure to maintain facilities to a standard appropriate for educational use
6. **ICT** e.g. threats to ICT systems and data
7. **Legal & governance** e.g. non-compliance with legal matters and current governance regimes, complaints, GDPR
8. **Marketing and Reputation** e.g. reputation impact of event, fraud, accident, media coverage etc
9. **Human Resources** e.g. non-compliance with any HR related matters

ii. Assessment of risk

3.5 Risks will be assessed on two core criteria:

- i. Likelihood: the probability of the risk occurring; and
- ii. Impact: the positive or negative ramifications of the risk coming to fruition.

Risk is the combination of likelihood x impact

3.6 Both criteria are scored on our risk register, between 1 (the lowest) and 5 (the highest). When multiplied together, the total provides a quantifiable risk profile. The risk profile determines the severity of the risk through a simple RAG framework (severity).

Risk profile score

- 1 ≥ 6 Green – Low
- 8 ≥ 16 Amber – Medium
- 20 ≥ 25 Red Figure – high

Risk severity table

			Impact				
			1	2	3	4	5
			Trivial	Minor	Moderate	High	Major
Likelihood	1	Highly unlikely	Low	Low	Low	Low	Low
	2	Unlikely	Low	Low	Low	Medium	Medium
	3	Moderate	Low	Low	Medium	Medium	Medium
	4	Likely	Low	Medium	Medium	Medium	High
	5	Highly likely	Low	Medium	Medium	High	High

3.7 Likelihood scores are based on an event taking place within one academic year or less

1. Under 10% chance of occurring.
2. 10% - 30% chance of occurring.
3. 31% - 60% chance of occurring.
4. 61% - 90% chance of occurring.
5. Over 90% chance of occurring.

3.8 Impact scores are based on the size of impact to the Trust and/or Academy

1. **Trivial** Relatively insignificant.
2. **Minor** Possibly important but can be managed although it would take up some time and resources.
3. **Moderate** Potentially serious. A threat, which could cause reasonable issues and could take up considerable time and resources.
4. **High** Very serious. Would hinder the achievement of our strategic objectives and/or would take up considerable time and resources.
5. **Major** Highly significant. Could affect the viability of the Trust and/or Academy, or at the least cause significant harm to the organisation and its reputation.

iii. Risk management strategy

3.9 The risk management strategy determines the way in which we will respond to a risk. We have adopted four categories of risk response type:

- **Transfer** – Through conventional insurance or by supporting a third party to take the risk in another way.
- **Tolerate** – Our ability to do anything about some risks may be limited, or the cost of taking any action maybe disproportionate to the potential benefit gained. Common for large external risks. In these cases, the response may be to tolerate but the risk should be tracked so the Trust is ready to reconsider and act should the risk escalate. Tolerance levels must be set that determine the level of risk and inform the decision-making process.
- **Treat** – Most risks fall within this category. The purpose of taking action to reduce the chance of risk occurring is not necessarily to obviate the risk, but to contain it to an acceptable level. Risk will be dealt with at an appropriate level where the responsibility to decide on action will rest. Other risks may translate into activities designed to

mitigate them. As is the case with any change in course of action, new risks may be encountered which subsequently require management.

- **Terminate** – Do things differently thus removing the risk wherever it is feasible to do so.

iv. Risk Response

- 3.10 Once a response type is elected, a detailed strategy will be outlined and communicated by the risk owner. One individual, where possible, should be elected as the risk owner.
- 3.11 During the formation of the risk management strategy phase, the risk owner will identify stakeholders with an interest in or affected by the risk. Stakeholders must be consulted to establish their relationship with the risk and what influence this might have on the risk management process. To ensure a holistic approach to risk management consultation must be ongoing.
- 3.12 The risk owner will then coordinate all activities to ensure the successful implementation of the strategy and will remain responsible for effective communication throughout the implementation phase.
- 3.13 Risk Managers support the Risk Owner with the review and maintenance of risks within the register.
- 3.14 Risks will be summarised by the Deputy CEO (Finance & Operations) and reported to the Audit and Risk Committee. For the most significant risks, the Committee, Board and senior members of the Executive Leadership Team may wish to escalate them to the ESFA/DfE. This should be done through the relevant Regional Director, in the first instance, or a nominated ESFA/DfE contact.

Risk owners and managers

Level	Type of Risk	Risk Manager	Risk Owner
Central	Strategic (including education)	Chief Executive Officer/Deputy CEOs	Chair of Trustees
Central	Financial	Director of Finance	Deputy CEO (Finance & Operations)
Central	Health & Safety	Director of Estates and Procurement	Deputy CEO (Finance & Operations)
Central	Estates	Director of Estates and Procurement	Deputy CEO (Finance & Operations)
Central	ICT	ICT Director	Deputy CEO (Education)
Central	Legal and governance	Head of Corporate Affairs	Chief Executive Officer
Central	Marketing & reputation	Chief Operating Officer	Chief Executive Officer
Central	Human Resources	HR Director	Deputy CEO (Finance & Operations)
Central	Safeguarding	Director of Safeguarding	Chief Executive Officer

Academy	Strategic (including education)	Principal	Chief Executive Officer
Academy	Financial	Principal	Deputy CEO (Finance & Operations)
Academy	Health & Safety	Principal	Deputy CEO (Finance & Operations)
Academy	Estates	Principal	Deputy CEO (Finance & Operations)
Academy	ICT	Principal	Deputy CEO (Education)
Academy	Legal and Governance	Principal	Chief Executive Officer
Academy	Marketing & Reputation	Principal	Chief Executive Officer
Academy	Human Resources	Principal	Deputy CEO (Finance & Operations)
Academy	Safeguarding	Principal	Chief Executive Officer

v. Post implementation debrief

3.15 The final stage of the risk management cycle is to conduct a debrief after the implementation of the management strategy to evaluate the effectiveness of the strategy.

4 | Review and Escalation Process

4.1 Risk must be understood and reported at all levels within our Trust.

4.2 The Trustees should:

- know about the most significant risks facing the Trust;
- ensure appropriate levels of awareness throughout the Trust;
- know how the Trust will manage a crisis;
- know the importance of government and stakeholder confidence in the Trust;
- be assured that the risk management process is working effectively; and
- publish a clear risk management policy covering risk management philosophy and responsibilities.

4.3 Local Governing Bodies should:

- know about the most significant risks facing the academies via the academy risk register;
- ensure appropriate levels of awareness throughout the LGB;
- know how each academy will manage a crisis;
- know the importance of government, parents and local community confidence in the academies; and

- be assured that the risk management process is working effectively.

4.4 Executive Leaders and Principals should:

- be aware of risks which fall into their area of responsibility, the possible impacts these may have on other areas and the consequences other areas may have on them;
- have performance indicators which allow them to monitor the key business and financial activities, progress towards objectives and identify developments which require intervention; and
- report systematically and promptly to the Audit and Risk Committee any perceived new risks or failures of existing control measures highlighted within the academy.

4.5 Individuals should:

- understand their accountability for individual risks;
- understand how they can enable continuous improvement of risk management response;
- understand that risk management and risk awareness are a key part of our culture; and
- report systematically and promptly to senior leaders any perceived new risks or failures of existing control measures.

Audit and Risk Committee (ARC) Review

4.6 ARC will review the risk register throughout the year to an agreed timetable; bearing in mind that the key risks faced by the Trust may change. All risk assessment must be subject to review to ensure they remain valid and any material changes reported are acted upon.

Trust board review

4.7 The key risks will be reported by ARC to the Trust board.