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Risk Management Policy.

2025-27

Mission Statement

To inspire our family of schools to provide opportunities for our pupils, staff and leaders to be the best they can be; to create a passion for lifelong learning; to enable our pupils to become kind, confident and impactful world citizens.

Risk Management Policy

1. Purpose

1.1. This risk management policy (the policy) forms part of the Trust's internal control and governance arrangements. Identifying and managing the possible and probable risks that an organisation may face over its working life is a key part of effective governance. This policy explains the Trust Board's approach to risk management. It outlines key aspects of the risk management process, and identifies the main responsibilities and reporting procedures. It also describes the process the Trust uses to evaluate the effectiveness of the Trust's internal control procedures.

1.2. The Trust Board is committed to delivering provision to a high standard, such that any risks are minimised through Trust wide robust risk management processes. The Trust's strategic objectives and associated strategies, policies and plans demonstrate a commitment to raise standards and continuously improve the quality of provision through making risk management part of normal daily work practice.

1.3. The Trust Board is committed to a strategy of risk modelling that ensures historical back testing is used in partnership with self-identified emerging risks to build a model that is flexible in its approach but proactive in its application

1.4. This policy is designed to meet the requirements of both the ESFA and the Charities Commission in respect of risk management.

2. Introduction

2.1. The Academies Financial Handbook states that: "The Trust should make a considered choice about its desired risk profile, taking account of its legal obligations, business objectives and public expectations. The Trust must recognise and manage present and future risks to ensure its effective and continued operation. The Trust should maintain a risk register. The Trust's management of risks must include contingency and business continuity planning."

2.2. By managing risk effectively, trustees can help ensure that:

2.2.1. significant risks are known and monitored, enabling trustees, members of Local Governance Committees and staff to make informed decisions and take timely action

2.2.2. the Trust makes the most of opportunities and pursues them with the confidence that any risks will be appropriately managed

2.2.3. forward and strategic planning are improved

2.2.4. the Trust's aims are achieved more successfully

2.2.5. the Trust can demonstrate to the public, regulators, staff and pupils that the Trust is a safe and efficient organisation

2.3. The ultimate responsibility for the management and control of risk rests with the Trust Board. The Chief Executive Officer (CEO) is responsible for ensuring risk management is effective throughout the organisation. The active involvement of the Trust Board and the CEO in undertaking key aspects of the risk management process is essential, particularly in setting the parameters of the process and reviewing and considering the results.

3. Strategic Approach

3.1. Good risk management will

3.1.1. enable the Trust to take opportunities and to meet urgent need, as well as preventing disasters

3.1.2. ensure risk management is a collective responsibility

3.1.3. identify gross risk and manage it to an acceptable level

3.1.4. manage/mitigate gross risk to an acceptable residual level - see para. 3.6

3.1.5. ensure appropriate scrutiny and escalation by those who manage/lead those closest to the risk

3.1.6. be dynamic and adjust risk assessment and management/mitigation strategies in the light of near misses

3.1.7. have a documented process to identify, track and resolve identified issues

3.2. Although the Trust Board has ultimate responsibility for the management of risk, its focus will be on ensuring the risk management system functions appropriately, determining risk appetite (see para. 4.3) and overseeing the Trust's approach to major risks.

3.3. The executive leaders and staff of the Trust will operate the risk management systems and processes, reporting to the Trust Board and the Local Governance Committees (LGC) as required.

3.4. Strategic risks will be identified and managed

3.4.1. In respect of the Trust as a whole - by the Trust Board in tandem with the Trust's Senior Executive

3.4.2. In respect of an Academy - by the Local Governance Committee in tandem with the Trust's Senior Executive and the Academy senior leadership team

3.5. Operational risks will be identified and managed

3.5.1. by managers/leaders who directly manage staff closest to the activity giving rise to the risk

3.6. Risk management is aimed at reducing the 'gross level' of risk identified to a 'net level' of risk (the residual risk), in other words, the risk that remains after appropriate action is taken.

3.7. There are four basic strategies that can be applied to manage an identified risk:

3.7.1. transferring the financial consequences to third parties or sharing it, usually through insurance or outsourcing

3.7.2. avoiding the activity giving rise to the risk completely, for example by stopping a particular activity or service

3.7.3. managing or mitigating the risk

3.7.4. accepting the risk

3.8. The immediate costs and/or impact of management or control of a risk should be considered in the context of the potential impact or likely cost that the control seeks to prevent or mitigate. A balance will be struck between the cost of further action to manage the risk and the potential impact of the residual risk should action not be taken.

3.9. Following identification of the risks that the Trust might face and consideration of how those risks may be most effectively managed, the manager/leader who directly manages staff closest to the activity giving rise to the risk will record, in consultation with the Senior Business Manager, such details in the risk register.

3.10. Whilst the identification of risks should be undertaken by those with a detailed knowledge of the way the Trust and its academies operate, Head Teachers and LGCs are pivotal to this process.

4. Risk Management

4.1. Risk is defined as the probability of an event occurring and its consequences.

4.2. Risk management is defined as the process by which the Trust manages threats or reduces the probability of an event occurring

4.3. Risk appetite is an expression of how much risk the Trust is prepared to take. It can vary over time and from work area to work area.

4.4. The following key principles outline the Trust's approach to risk management and internal control. The Trust will:

4.4.1. adopt an open and receptive approach to mitigating risk throughout the organisation

4.4.2. take a balanced approach to the recognition and disclosure of the financial and non-financial implications of risks

4.4.3. consider risk in terms of the wider environment in which the Trust operates

4.4.4. clearly articulate its risk appetite to all relevant stakeholders within the Trust

4.4.5. put in place and monitor early warning mechanisms to facilitate remedial action being taken to manage any potential hazards

4.4.6. control and monitor, where appropriate, identified operational risks by risk assessments

4.4.7. complete risk registers in a consistent way in each academy across the Trust to ensure a consistency of approach and to enable operational register to feed into the Strategic Risk Register as appropriate

4.4.8. put in place risk registers that steer risk owners into considering risk appetite when updating a risk entry. A risk owner will need to consider not only the risk status before and after existing mitigating action but also the final tolerable risk status.

5. Risk Assessment and Categorisation

5.1. Identified risks need to be put into perspective in terms of the potential significance of their impact and likelihood of their occurrence. Assessing and categorising risks helps in prioritising and filtering them, and in establishing whether any further action is required.

5.2. The Trust assesses its exposure by considering each identified Key Operating Risk, deciding how likely it is to occur and how severe its impact would be on the Trust if it did occur. A Key Operating Risk is defined as a significant risk to the business caused by inadequate or failed internal processes, people, assets and systems, or from external events.

5.3. Risks which have very high impact and very low likelihood of occurrence have greater importance than those with a very high likelihood of occurrence and a lower significant impact. The concept of impact and the likelihood of risks occurring and their interaction should be given prominence in both the risk assessment and risk management processes.

5.4. However, remote the likelihood of a risk happening , it should be considered and evaluated regardless.

5.5. A focus on high-impact risk is important, but what may be a lower impact risk can change to very high impact risk because of the possible connection between it happening and triggering the occurrence of other risks.

5.6. One low impact risk may lead to another and another so that the cumulative impact becomes extreme or catastrophic. Evidence shows that most business failures occur as a result of a series of small, linked events having too great a cumulative impact to deal with rather than a single large event. If the Trust only looks at the big risks it will end up ill- prepared to face the interaction of separate adverse events interacting together.

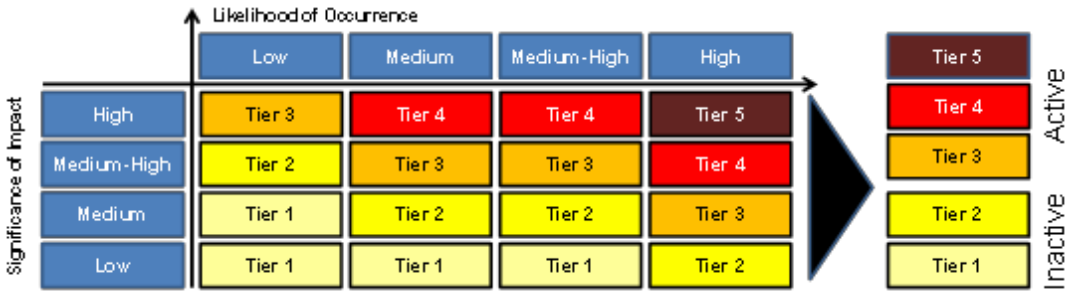
5.7. The following tables provide the values on which the Charity Commission recommends organisations should base risk calculation, complemented by some other Trust specific measures:

Impact Descriptor	Score	Impact on service or reputation (CC)	Impact on service or reputation (Trust)
Insignificant	1	No impact on service No impact on reputation Complaint unlikely Litigation risk remote	Financial loss under £100, No potential for injury Risk of low level non-compliance with agreed policies and procedures
Minor	2	Slight impact on service Slight impact on reputation Complaint possible Litigation possible	Financial loss between £100 and £1,000 Potential for minor injury Very low level disruption to Trust's operations Partial and minor breach of contractual liability or statutory duties
Moderate	3	Some service disruption Potential for adverse publicity - avoidable with careful handling Complaint probable Litigation probable	Financial loss between £1,000 and £25,000 Potential for serious injury Noticeable disruption to Trust's operations Minor breach of contractual liability or statutory duties
Major	4	Service disrupted Adverse publicity not avoidable (local media) Complaint probable Litigation probable	Financial loss between £25,000 and £100,000 Potential for very serious injury Serious disruption to Trust's operations Significant reputational damage or significant failure to meet contractual liability or statutory duties
Extreme/ Catastrophic	5	Service interrupted for significant time Major adverse publicity not avoidable (national media) Major litigation expected Resignation of senior management and board Loss of DfE/ESFA/LA confidence	Major financial loss of over £100,000 Potential for fatal injury Major disruption to Trust's operations Very significant reputational damage Very significant failure to meet contractual liability or statutory duties Forced government intervention

Likelihood Descriptor	Score	Impact on service or reputation
Remote	1	May only occur in exceptional circumstances
Unlikely	2	Expected to occur in a few circumstances
Possible	3	Expected to occur in some circumstances
Probable	4	Expected to occur in many circumstances
Highly Probable	5	Expected to occur frequently and in most circumstances

These values have been used to formulate a 5 Tier structure to consider risk within the Academies and the Trust and to assess the final residual risk.

5.8. The heat map illustrates the approach the Trust assesses risk. It also illustrates the increased weighting of impact:



Tier 5-3, are significant risks and are required to be included in any assessment

Tier 2-1 risks are less significant and may be included in any assessment at the owners discretion

5.9. Both operational and strategic risks should be scored in a consistent manner

5.10. Risks will be rated both before and after the application of agreed internal controls and other mitigation/management strategies.

5.11. Risk scoring involves a degree of judgement or subjectivity.

5.12. Where data or information on past events or patterns is available, it should be used to provide more evidence-based judgements.

5.13. The colour codes are:

5.13.1. Red/Brown - major or extreme/catastrophic risks;

5.13.2. Amber - moderate or significant risks;

5.13.3. Yellow(s) - minor or less significant risks.

5.14. Once action is taken to mitigate each risk a residual or net risk rating/score is applied and colour coded as above. This doesn't mean the risk is necessarily diminished in any way but it does mean the significance of the impact of the risk should be less. See also paras. 6.1 and 6.2

6. Risk Appetite and Escalation

6.1. The Board wishes the Trust to adopt a low risk appetite with a balanced approach to its exposure to risk and always being mindful that any exposure should be proportionate to the opportunity or reward to be gained. This will be delivered by the following approach:

6.1.1. Any RED/BROWN risks must be wherever possible managed down to the lowest practicable level urgently.

6.1.2. Any AMBER risks must be wherever possible managed down to the lowest practicable level as soon as possible and their escalation to RED prevented

6.1.3. Any YELLOW risks are accepted and no specific action is required.

6.2. Those risks identified as 'red/brown' and 'amber' in the net risk score will be reviewed by the academies on a termly basis and all other risk areas at least annually. The Risk and Audit Committee is tasked to review the whole register annually and all the red and brown coloured risks once per term.

6.3. When, following review, risk scores move outside of the Trust's risk appetite, or where risk controls have failed or are no longer effective in reducing a risk, this must be escalated by the risk owner to the next level of management as soon as possible.

7. Main Roles in Managing Risk

7.1. The role of the Trust Board is to:

7.1.1. Set the tone and influence the culture of risk management within the Trust.

7.1.2. Determine which types of risk are acceptable and which are not.

7.1.3. Approve major decisions affecting the Trust's risk profile or exposure.

7.1.4. Monitor the management of major risks to reduce the likelihood of unwelcome surprises or impact.

7.1.5. Satisfy itself that less significant risks are being actively managed, with the appropriate controls in place and working effectively.

7.1.6. Annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

7.2. The role of the Risk and Audit Committee

7.2.1. Monitor on an ongoing basis strategic risks identified by the Trust

7.2.2. Make recommendations to the Board concerning the content of the policy, the registers and remedial actions to manage/mitigate significant risks

7.2.3. Review the operational risk registers of academies and all Corrective Action Plans proposed by the academies.

7.2.4. Escalate to the Board areas where it considers strategic risks are being managed in a way that exposes the Trust to an unacceptable level of risk

7.2.5. Deliver an annual report to the Board reviewing the effectiveness of risk management arrangements across the Trust

7.2.6. Consider escalating to the Trust Board new operational risks with a significant impact where identified as a trend across a number of the academies.

7.3. The role of the CEO

7.3.1. Maintain a sound system of internal control that supports the achievement of policies, aims and objectives

7.3.2. Maintain an operational risk register in respect of the Trust's central service provision

7.3.3. Maintain the Trust's strategic risk register

7.3.4. Ensure that the organisation understands the Trust's risk appetite and that it operates the business within the Trust Board's attitude to risk

7.3.5. Ensure appropriate risk management training and guidance is delivered to embed the risk management culture throughout the Trust

7.3.6. Ensure the Trust has in place emergency planning arrangements for all Academies in the Trust

7.4. The role of the Headteacher/Principal

7.4.1. Understand the tone and culture for risk stipulated by the Trust Board

7.4.2. Maintain a sound system of internal control that supports the achievement of policies, and the aims and objectives of the Academy

7.4.3. Maintain an operational risk register for the Academy.

7.4.4. Present the results of a review of risk controls (the Academy Risk Assessment (ARA) to the LGC on a termly basis

7.4.5. Ensure that the staff at the relevant Academy understand the Trust's risk appetite and that they operate the business within the Trust Board's attitude to risk

7.4.6. Ensure that operational risks are monitored on an ongoing basis in the relevant Academy

7.4.7. Report to the CEO any operational issues that resulted in financial or non-financial exposure beyond that acceptable and any near misses that might also have done so

7.4.8. Develop and maintain the emergency planning procedures for the Academy

7.5. The role of the LGC

7.5.1. Review the Academy's Risk Register via a rolling programme and following agreement/revision submit it to the Risk and Audit Committee for review and approval

7.5.2. Receive from the delegated Academy representative the results of a review of risk controls on a termly basis and agree/approve the results

7.5.3. Encourage and ensure the implementation of good risk management practice within the Academy

7.6. The role of leaders and managers

7.6.1. Identification of risks and the implementing and monitoring of any identified risk management control or assurance measures within their designated area and responsibility

7.6.2. Populate the relevant risk register

7.6.3. Ensure all necessary risk assessments are carried out and appropriate control measures are implemented and monitored

7.6.4. Ensure all employees are aware of the risks within their work environment and of their personal responsibilities

7.6.5. Provide the necessary information, instruction, supervision and training to enable staff and other parties to work safely. Other parties will include subcontractors, members of the public, visitors etc.

7.6.6. Ensure the inspection, testing and maintenance of equipment used within their area of managerial control is carried out in accordance with legislative requirements

7.7. The role of all employees

7.7.1. Comply with all Trust rules, procedures and instructions

7.7.2. Work in a manner which is safe and secure for themselves and others

7.7.3. Take reasonable care for their own safety and the safety of others who may be affected by their acts or omissions

7.7.4. Neither intentionally nor recklessly interfere with or misuse any health and safety equipment

7.8. Any employee who fails to comply with the Trust's policies and guidelines on risk or recklessly interferes with or misuses any health and safety equipment will be subject to disciplinary action.

7.9. The role of Internal Audit

7.9.1. Provide assurance that risks are being properly managed
7.9.2. Undertake an annual review of the Trust's arrangements to manage risk

8. Training requirement

8.1. The provision of information, education and training is an important means of achieving competence and helps to facilitate safe working practices. This contributes to the Trust's risk management culture and is required at all levels, including the Executive Team and Trust Board.

8.2. During induction, all members of staff within the Trust will be advised on the relevant processes of risk management. All staff will be made aware of the concepts of risk management, health & safety, and incident and near miss reporting procedures.

8.3. The Trust has a responsibility to ensure that staff are released from the workplace to attend training sessions.

8.4. The Trust has a responsibility to ensure that adequate resources are available to implement the Trust's training programme for all staff. The Trust will ensure that all staff (including agency staff) are appropriately trained in line with the Trust's training requirements.

8.5. Trust Board members and senior managers are also required to undertake Risk Management Training.

9. Monitoring and assessment

9.1. Risk management is a dynamic process ensuring that new risks are addressed as they arise. It is also cyclical to establish how previously identified risks may have changed.

9.2. Risk management is not a one-off event and should be seen as a process that requires monitoring and assessment. All leaders and staff throughout the Trust must take responsibility for implementation.

9.3. A successful risk management process will involve ensuring that:

9.3.1. new risks are properly reported and evaluated;

9.3.2. risk aspects of significant new projects are considered as part of project appraisals;

9.3.3. any significant failures of control systems are properly reported and actioned;

9.3.4. there is an adequate level of understanding of individual responsibilities for both implementation and monitoring of the control systems;

9.3.5. any further actions required are identified and acted upon in an appropriate timeframe;

9.3.6. the Board consider and review the process annually;

9.3.7. the Board are provided with relevant and timely interim reports.

9.3.8. To provide a systematic means of compliance, the Trust will hold and regularly review a risk register

9.4. The risk register seeks to pull together the key aspects of the risk management process. It schedules gross risks and their assessment, the controls in place and the net risks, and can identify responsibilities, monitoring procedures and follow up action required.

9.5. Ongoing monitoring and assessment of the risk register will be delegated by the Trust Board to the Risk and Audit Committee. This Committee, in turn, may delegate some duties to an academy Local Governance Committee.

9.6. Terms of reference for the Risk and Audit Committee are published on the Trust website, and will be subject to annual review.

10. Policy ownership

10.1. This policy is

10.1.1. adopted and maintained by the Trust Board

10.1.2. reviewed every 2 years

10.2. Compliance with this policy is overseen by the CEO

10.3. For details in relation to the execution of risk management with the Trust, please refer to the Risk Process Procedure document