

## **RISK MANAGEMENT POLICY**

1. This policy aims to raise awareness about the need to address strategic and operational risks and to provide good practical guidance to manage such risks in an effective and formal way.
2. Risk is the threat that an event or action will adversely affect our schools' ability to achieve their objectives and to successfully execute their strategies. Risk Management is the process by which risks are identified, evaluated, and controlled. It is a key element of the framework of governance. Risk Management should not make our schools totally "risk averse", rather it should make them "risk aware" to promote controlled risk taking.
3. Risk Management is the process whereby:
  - there is a shared awareness and understanding within the Trust of the nature and extent of the risks it faces;
    - the extent and categories of risks regarded as acceptable and the likelihood and potential impacts of the risks materialising.
    - its ability to reduce the incidence and impact of the risks that do materialise.
  - there is regular and ongoing monitoring and reporting of risk including early warning mechanisms.
  - an appropriate assessment is made of the cost of operating particular controls relative to the benefit obtained in managing the related risk.
  - the schools conduct, at least annually, a review the level of risk and the measures in place to mitigate those risks.
  - Governors and Trustees review the risks and measures in place to mitigate those risks relevant to their committees on a termly basis.
  - the CEO reports to Trustees on the results of the review and explains the action being taken to address any significant concerns it has identified
4. This process is ongoing, embedded in our culture and has the potential to re-orientate the whole organisation around performance improvement. It is not about eliminating risk but about understanding risk and managing it more effectively.

The risk management process is fully integrated into the Trust's wider planning, decision-making, management and operational processes and in general risks are addressed through these processes rather than as a separate report or action.

5. Every increasingly, changes are acting as drivers for good Risk Management. They include demands for greater transparency, the need for early warning systems; an increase in partnership working; a demand for higher quality; pressure for new leadership structures; new legislation etc.
6. The benefits of good Risk Management are that it supports the achievement of objectives and has a vital role to play in ensuring that the Trust is well run. The benefits vary depending on the way in which Risk Management is planned and implemented. A minimalist approach is likely to deliver limited benefits and could take the form of a bureaucratic tick box exercise merely for the sake of compliance.

Conversely, a comprehensive wholehearted but misguided approach that is aimed too broadly could waste valuable time and resources and result in risk overload. The inevitable failure to deal with all the risks identified by such an approach is likely to result in disillusionment with the Risk Management process itself.

7. The key is to identify strategic risks whilst also taking into account operational risks that need to be dealt with on a day-to-day basis. Decisions must be taken as to which benefits we would like as a result of the Risk Management programme and plan the approach accordingly. The operational benefits of a systematic and consistent approach to Risk Management are considerable.

Much Risk Management takes place intuitively but it is important that in many cases it be documented so that in the future, reference can be made to decisions based upon a sound Risk Management strategy.

8. There are five basic categories of risk, strategic, financial, physical, human and educational.
9. Managing these risks is a core responsibility of the senior management of the Trust and schools in close liaison with Trustees and Governors. Risk assessments should be undertaken as part of the development or improvement planning processes. Risk assessment will draw on techniques such as group assessment, brainstorming and "swot" analyses.
10. The categories are neither proscriptive nor exhaustive; however, they should provide a framework for identifying and categorising a broad range of risks facing our school. Each category cannot be considered in isolation, for example, the physical risks associated with the security of a school can have professional consequences for teachers fulfilling their day-to-day duties.
11. The features of our implementation strategy are as follows: -
  - Discussion about the need for better Risk Management.
  - Identification and prioritisation of areas of change, business objectives, critical success factors and risks that may be significant.

- This identification of areas of change will begin from pupils and junior staff and work upwards, to ensure those that are most likely to encounter risks, and thus require protection from it are identified and engaged with.
  - Identification of related significant risks that could undermine
    - The safeguarding of our students.
    - The quality of service provision.
    - The reputation of the Trust and schools.
    - The reliability of internal and external reporting.
    - The safeguarding of assets from inappropriate use, loss and fraud.
    - Liabilities being identified and managed properly.
12. Trustees and Governors will receive regular significant risk reports, which will enable them to understand and challenge the significant risks, and how they will be identified, evaluated, and managed, whether the reports indicate any new significant risks, or if the risks previously identified as being significant remain so and the effectiveness of the internal control system in managing significant risks.

All individuals within the Trust are expected to identify and manage risks associated with their areas of responsibility as an integral part of their role. For example, the DSLs are responsible for upholding their schools' Safeguarding Policy and will manage any issues related to Safeguarding, whereas the CFO will be aware of and plan for mitigating risks, which impact the Trust financially. The Director of IT and DPO defines the cyber security risk challenge, understanding the vulnerabilities, threats and hazards and upholding the Trust's Data and Cyber Breach Prevention Policy, Cyber Response Plan, and the Data Protection related policies. The CEO has overall responsibility for completing the Risk Assessment Register.

13. The Trust is a member of the Risk Protection Arrangement (RPA), which is an alternative to commercial insurance and aims to protect academy trusts against losses due to any unforeseen and unexpected events.