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Member of Staff Responsible:	Chief Executive Officer
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Change Record		
Version	Date	Description
1.1	17/07/23	Level of Risk Matrix added
1.2		
1.3		
1.4		

Risk Management Policy

1. Legal Requirements

It is a requirement of the Academy Trust Handbook (AFH) that:

- Academy Trusts must manage risks to ensure their effective operation and they should maintain a risk register (part 2).
- The Trust's management of risks must include contingency and business continuity planning (part2).

2. Guiding Principles

We believe that active risk management is fundamentally important to any organisation and should be embedded in its activities and processes. However, as a Trust, we also believe that this should not involve an over-engineered approach which creates excessive paperwork, endless discussions about methodology or an over-reliance on tick-box exercises. We want a simple, systematic approach to identifying, assessing and addressing risk at Academy level and Trust level.

The risk register is central to risk monitoring at local and Trust Level and should be a 'live document' where new, emerging and evolving risks lead to additions or amendments and risks which are no longer of significance are retired.

Risk registers come in various formats and no particular version is recommended. However, for the Trust risk register and local Academy risk registers, certain key elements need to be included. See APPENDIX1 for more details.

We also want a holistic approach to risk management, with a clear relationship and synergy between the Trust and local Academy risk registers; Risks from individual academies should be carefully assessed, individually and collectively and if these risks constitute a Trust-wide risk, they should be added to the Trust risk register.

Risk management at Trust level should give closest attention to the management of the highest priority strategic risks, which could have the greatest impact on the Trust.

For risk management to be effective, it is important that the number of risks is a manageable number. If too many risks are reported, the process may become too difficult to manage effectively and may lose focus. The Board and local governing bodies should resist the temptation to track too many risks and should carefully consider and clarify the number of risks they are able to oversee, maybe prioritising their top 10 or 15. Useful categories to consider, to help identify actual risks, can be found in Appendix 1.

At all levels of risk management, potential risks should be discussed between two or more people with the aim of reaching a common understanding of what they are and how they should be dealt with. There should never be overreliance on subjective judgement as individual perceptions and motivations can influence the way that risks are identified, assessed and addressed.

Responsibilities

Headteachers of individual academies must:

Work in collaboration with appropriate staff to:

- Identify, assess and address local operational and strategic risks which threaten to harm the academy and its pupils.
- Monitor and update their academy's risk register on a regular basis, as a monthly, minuted standing item at senior leadership meetings, or when circumstances dictate (i.e when new risks emerge or current risks escalate.) Monitoring and updating the risk register means making necessary changes to the way that local risk is managed and then recording these changes on the register. It involves:
 - Adding/retiring risks as appropriate.

- Amending risk descriptions to clarify the nature of risks.
- Upgrading or downgrading the level of risks.
- Deciding whether any risks require additional, fewer or different control measures.
- Deciding whether trigger points have been reached with higher-level risks, thus warranting contingency plans to be implemented.
- Present a recently updated risk register at every LGB meeting where the risk register is a standing item, for discussion, review, scrutiny and approval.

Local Governing Bodies must:

- Review the updated academy risk register as a standing item at LGB meetings once per term. This involves:
 - Scrutinising the updated risk register and providing support and challenge to the headteacher and senior leadership team with regards to their monitoring and updating of it.
 - Making final amendments and approving the changes made to the management of local risk as recorded on the risk register.
- Provide details of the most serious, current material risks from the recently updated risk register to the Audit and Risk Committee every time the Audit and Risk Committee meets.

The CEO must:

Work closely with the CFO and other appropriate staff in order to:

- Identify, assess and address Trust-level strategic risks.
- Monitor and update the Trust's risk register on a regular basis, or when circumstances dictate (i.e when new risks emerge or currently identified risks escalate.) Monitoring and updating the risk register means making necessary changes to the way that Trust-wide risk is managed and then recording these changes on the register. It involves:
 - Adding/retiring risks as appropriate.
 - Amending risk descriptions to clarify the nature of risks.
 - Upgrading or downgrading the level of a risks.
 - Deciding whether any risks require additional, fewer or different control measures.
 - Deciding whether trigger points have been reached with higher-level risks, thus warranting contingency plans to be implemented.
- Present a recently updated Trust risk register to the Audit and Risk Committee at every meeting for discussion, review, scrutiny and approval.

The Audit and Risk Committee must:

- Review the most recently updated Trust risk register as a standing item at every Audit and Risk Committee Meeting. This involves:
 - Scrutinising the updated risk register and providing support and challenge to the CEO and CFO with regards to the changes that have been made to the management of Trust-wide risk, as recorded on the register.
 - Making final amendments and agreeing the changes made to the management of Trust-wide risk.
 - Reviewing the highest-level risks identified by each LGB as a result of their most recent risk-register reviews and seeking assurance that they are being addressed effectively.
 - Deciding whether any of the local risks, individually or cumulatively, have sufficiently serious Trust-wide implications to warrant them being escalated and entered onto the Trust risk-register.
 - Adding those local risks, as identified by LGBs to the Trust risk register when they pose a significant Trust-wide risk.
- Present the updated Trust risk register to the Trust Board for review and approval.

The Trust Board must:

- Retain overall responsibility for risk management, including ultimate oversight of the risk register, ensuring that risk is being identified, assessed and addressed effectively.
- Receive an updated Trust risk register and an accompanying report and recommendations from the Audit and Risk Committee after every Audit and Risk Committee meeting.
- Drawing upon the advice and recommendations of the Audit and Risk Committee, formally approve the updated risk Register and the changes to the management of risk which are contained within it.

- Formally review the risk register and risk management process on an annual basis and report on it in the Trustees' report, which accompanies the audited financial statements, making sure that principal risks and the plan for managing those risks are clearly explained.

Reporting

Headteachers of local academies present an updated risk register to the LGB three times per year (for the meetings where it is a standing item) together with an accompanying summary report of the changes to the management of local risk which are contained within.

LGBs of local academies review and approve the updated risk registers three times per year (at the meeting where it is a standing item) and then report the three most serious risks to the Audit and Risk Committee for consideration.

The CEO presents an updated Trust risk-register to the Audit and Risk Committee three times per year (i.e. at every Audit and Risk Committee Meeting) together with an accompanying summary report of the changes to the management of risk which are contained within.

The Audit and Risk Committee reports on the risk management process and the changes made to the management of risk to the Trust Board and presents a recommended, updated risk register for approval.

On an annual basis, the Trustees report on the risk management process in their report which accompanies the audited financial statements, making sure that principal risks and the plan for managing those risks are clearly explained.

KEY ELEMENTS OF RISK REGISTERS

- **Risk Category** – Common, useful categories include, Finance, IT, HR, Premises, Educational Performance, Leadership & Management, Governance. Thinking through such categories helps to systematically consider a range of relevant risks.
- **Risk Description** – A brief description of the potential risk, namely the event itself *“Ineffective monitoring and filtering leads to a A cyber-attack on the Trust’s IT systems”*
- **Risk Consequences** – A brief description of the most pertinent consequences that could materialise.
- **Estimated Likelihood of the Risk Occurring (L) and Estimated Impact if the risk Materialises (I)** should be scored against the following criteria:

Likelihood (L)	1. Negligible Chance	2. Unlikely	3. Possible (50:50)	4. Likely	5. Almost Certain
Impact (I)	1. Insignificant	2. Minor	3. Moderate	4. Major	5. Catastrophic
- **The Gross Risk Score** - This is the combined score of the estimated likelihood and potential impact, without control measures being implemented. It is also known as the inherent risk.
- **Control Measures** - When deciding which measures to opt for, it is useful to consider the 4 Ts: **T**olerate (*i.e* accept/retain) **T**reat (*i.e* arrest/reduce) **T**ransfer (*i.e* contract out/insure) or **T**erminate (*i.e* avoid or eliminate)
- **The Net Risk Score** – This is the risk that remains after control measures have been put in place. This is essentially a re-assessment of likelihood and impact which takes into account the control measures. It is also known as the residual risk.
- **Risk Ranking** – This is the overall level of the residual as per its position on the risk matrix and, if appropriate, it’s “traffic light” rating. It may be helpful to use a series of arrows to indicate the direction of travel of the risk ranking after each review *i.e.* up, down or static.
- **Contingency Planning** – A summary of key action points which can be developed into a fully formed action plan to mitigate the risk if the Risk Trigger needs to be activated. It is a requirement of the AFH (part 2) that the Trust’s management of risks must include contingency planning.
- **Risk Owner** – The person responsible for deciding whether the Risk Trigger needs to be activated and for managing the control measures and contingency plans. This should always be an identifiable individual who will ensure effective communication where necessary.
- **Risk Trigger** –What is the event/scenario that would trigger implementation of contingency plans? Risk Triggers are sometimes referred to as Early Warning Indicators because their intention is to alert appropriate leaders to the need for contingency planning before the situation escalates too quickly.
- **Date of Last Review** – This is an indication of when the last review took the place, whether it was by the Local Governing Body (for the local academy’s risk register) or the Audit and Risk Committee or Trust Board (for the Trust risk register)
- **Current Status of Risk** – This should include any relevant comments that will support the review of the risk at the appropriate time.

- **Risk Retired Date & Rationale** – This is an important element as it is an audit of any risks that have been considered by Trustees and later retired with the rationale. These can be hidden from any live document, but should still be recorded and able to be accessed if need arises.

		IMPACT				
LIKELIHOOD		Insignificant	Minor	Moderate	Major	Catastrophic
	5. Almost Certain	Medium (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4. Likely	Low (4)	Medium (8)	High (12)	High (16)	Very High (20)
	3. Possible	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
	2. Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	Medium (10)
	1. Negligible Chance	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

APPENDIX 2

LEVEL OF RISK MATRIX