Risk Management Policy

This policy is reviewed every two years by the Resources Committee

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Approved by:	**Resources Committee**
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Directors:	To be presented to Full board for information and final ratification Ratified: 2 September 2020

1.   Introduction

Risk is the threat that an event or action will adversely affect the trust's ability to achieve its objectives and to successfully execute its strategies.

Risk Management is the process by which risks are identified, evaluated and controlled. It is not about eliminating risk but about understanding it and managing it more effectively. It is part of the trust's system of Internal Control.

This Policy explains the trust's approach to Risk Management, gives key aspects of the process and identifies the main reporting procedures.

Directors use it to evaluate the effectiveness of the Trust's internal control procedures.

2.   Approach to Risk Management

2.1   The Board of Directors has overall responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the trust's public and other funds and assets, in accordance with the Funding Agreement and the Academies Financial Handbook issued by the Education & Skills Funding Agency (ESFA)

2.2   There is an open and receptive approach to resolving risk issues.

2.3   The Resources Committee advises the Board of Directors on Risk Management.

2.4   The Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.

2.5   All members of the Board of Directors and the Senior Leadership Team of each school are responsible for encouraging and implementing good Risk Management practice within each of the Trust's schools.

2.6   Early warning mechanisms are in place and monitored to alert each school to any risk events or near misses so that suitable remedial action can be taken. Health & Safety is an established agenda item at every Provisions Committee Meeting where near misses and accidents and incidents are brought to the committee's attention

3.   Role of the Resources Committee

3.1   To set the tone and influence the culture of Risk Management within the Trust. This includes:
o Determining whether the Trust is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue.
o   Determining which types of risk are acceptable and which are not.
o   Setting the standards and expectations of staff with respect to conduct and probity.

3.2   To approve major decisions affecting the Trust's risk profile or exposure.

3.3   To monitor the management of fundamental risks.

3.4   To be satisfied that the less fundamental risks are being actively managed, with the appropriate level of controls in place and operating effectively.

3.5 To review annually the Trust's approach to Risk Management and approve changes or improvements to key elements of its processes and procedures.

4. Role of each school's Senior Leadership Team

4.1 To embed risk management into the system of internal control.

4.2 To identify and evaluate the fundamental risks faced by each school for consideration by the Resources Committee.

4.3 To provide adequate information in a timely manner to the Resources Committee on the status of risks and controls.

4.4 To assist the Resources Committee in undertaking an annual review of Risk Management and the effectiveness of the System of Internal Control.

5. System of Internal Control

The system of internal control incorporates Risk Management. It encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Trust to respond to a variety of risks. These elements include:

5.1 Policies and Procedures
A series of policies underpin the internal control process. These policies are set by the Board of Directors through Director Committees. Written procedures support the policies where appropriate.

5.2 Development Planning and Budgeting
The development planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting development plan objectives is monitored regularly.

5.3 Risk Register
The plan is compiled by the CEO, CFOO & Partnership Director in conjunction with the Resources Committee and helps to identify, assess and monitor risks significant to the Trust. The Risk Register is formally revised annually but emerging risks are added as required and improvement actions and risk indicators are monitored regularly. The Risk Register is updated at any point during the year when the Trust faces significant change. The Trust uses a weighted scoring based on impact and likelihood for all identified risks.

5.4 Responsible Officer (RO)/Internal Audit
The role of Audit Committee has been incorporated into the terms of reference of the Resources Committee. The Committee have appointed an independent auditor to carry out the work of the Responsible Officer, and report to the committee, detailed internal audits on areas specified by the Resources Committee

5.5 External Audit
External audit informs the Resources Committee and the ESFA on the accuracy and regularity and feasibility of the Trust's accounts and financial management.

5.6 Third Party Reports
From time to time, the use of external consultants may be appropriate in areas such as health and safety, and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.