RISK MANAGEMENT STRATEGY

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Version	Page/ Item No.	Description of Change	Approved On
1.0		First approval	14/10/2021
1.1	7/3.4	Various amendments throughout to recognise change from LGB to LGC	02.02.2023
	24/App3	Removal of completed actions from action plan and amendment of dated items to annual ongoing reviews.	

Contents

1. Introduction

What is Risk Management?

1.1.   Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event.

1.2.   Risk management is about taking a planned and systematic approach to the identification, evaluation and control of those risks which can threaten the assets or financial and organisational well-being of the Trust. It is a means of minimising the costs and disruption to the Trust caused by undesired events. The aim is to reduce the frequency of risk events occurring, wherever possible, and minimise the severity of their consequences if they do occur.

1.3. Risk management covers the whole spectrum of risks and not just those associated with finance, health and safety and insurance. It also includes risks associated with public reputation, projects, partnership working, the environment, technology, breach of confidentiality, etc.

1.4. Risk management is not about being risk averse, it is about being risk aware. Risk is ever present and some amount of risk-taking is inevitable if the Trust is to achieve its objectives.

1.5. Risk management is about making the most of opportunities and about achieving objectives once those decisions are made. By being 'risk aware' the Trust is in a better position to avoid threats and take advantage of opportunities.

1.6. Risk management is an essential component in all organisations. The Trust also has a statutory responsibility to have in place arrangements for managing risks, as stated in the following legislation :

- School Standards & Framework Act 1998

    "A School shall be responsible for ensuring that its financial management is adequate and effective and that the School has a sound system of internal control which facilitates the effective exercise of that School's functions and which includes arrangements for the management of risk."

- The Health and Safety at Work etc. Act 1974

    In addition to placing duties of a general character on employers, manufacturers, employees and the self-employed and others, the Act provides a wide regulation-making power. Part I provides for securing the health, safety and welfare of people at work: protecting other people against risks to health or safety arising from the activity of people at work.

    Employers must safeguard so far as is reasonably practicable, the health, safety and welfare of people who work for them.

    Employers must, so far as reasonably practicable, have regard for the health and safety of self-employed or contractors' employees who may be working close to their own employees; and also, for the health and safety of the public who may be affected by their firm's activities.

    Employers must, so far as reasonably practicable, conduct their activities so as to ensure that people other than their employees, for example, pupils or members of the public, are not exposed to risks to health and safety.

    Employees have a duty under the Act to take reasonable care to avoid injury to themselves or to others by their work activities, and to co-operate with employers and others in meeting the statutory requirements.

- Civil Contingencies Act 2004

  "The act places a Risk Assessment duty on Category 1 Responders, Local Authorities. The purpose of the duty is to ensure that they have an accurate and shared understanding of the risks they face so that planning has a sound foundation and is proportionate to the risks"

  "To enable them to provide an accessible overview of the emergency planning and business continuity planning context for the public and officials"

1.7   The Benefits of Risk Management
Effective risk management will deliver a number of tangible and intangible benefits to individual services and to the Trust as a whole, e.g.

- Improved strategic management;
- Greater ability to deliver against objectives and targets;
- Improved operational management;
- Reduction in interruptions to service delivery;
- Reduction in managerial time spent dealing with the consequences of a risk event having occurred;
- Improved health and safety of employees, pupils, and visitors to the Trust;
- Improved financial management;
- Better informed financial decision-making;
- Enhanced financial control;
- Reduction in the financial costs associated with losses due to service interruption, litigation, damage, theft or fraud;
- Reduction in insurance premiums;
- Improved customer service;
- Minimal service disruption to customers and a positive external image as a result of all of the above.

2. The Trust's Risk Management Aims and Objectives

2.1   The aims of risk management are to:
- Contribute to attainment of the Trust vision;
- Protect service delivery and its quality;
- Protect the reputation and image of the Trust;
- Secure the Trust's assets;
- Secure the earning capacity and funding of the Trust;
- Secure the well-being of employees, pupils, visitors and other users of services;
- Ensure the integrity and resilience of Trust information systems;
- Ensure probity and sound ethical conduct;
- Avoid criminal prosecution or civil litigation;
- Avoid financial loss through fraud or corruption.

2.2   The objectives of the Multi Academy Trust's risk management strategy are to:-

- Integrate risk management into the day to day workings of the Trust and all of its services, activities and functions;
- Manage risk in accordance with best practice;
- Anticipate and respond to changing social, environmental and legislative requirements;
- Prevent injury, damage and losses and reduce the cost of risk;
- Raise awareness of the need for risk management by all those involved with the delivery of Trust services, activities and functions.

2.3   These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the Trust for risk management;
- Providing opportunities for shared learning on risk management across the Trust;
- Reinforcing the importance of effective risk management as part of the everyday work of employees through training and briefings;
- Incorporating risk management into key corporate activities e.g. joint/partnership working involving other Schools, relevant local authorities and other organisations, the School improvement planning process, project management, procurement, equalities, etc;
- Pro-actively monitoring progress in delivering the strategy and reviewing the risk management arrangements on an on-going basis.

3. Roles and Responsibilities

3.1   In determining roles and responsibilities, consideration has been given to the need to ensure that risk management is embedded into policy approval (Strategic) and into service delivery (Operational).
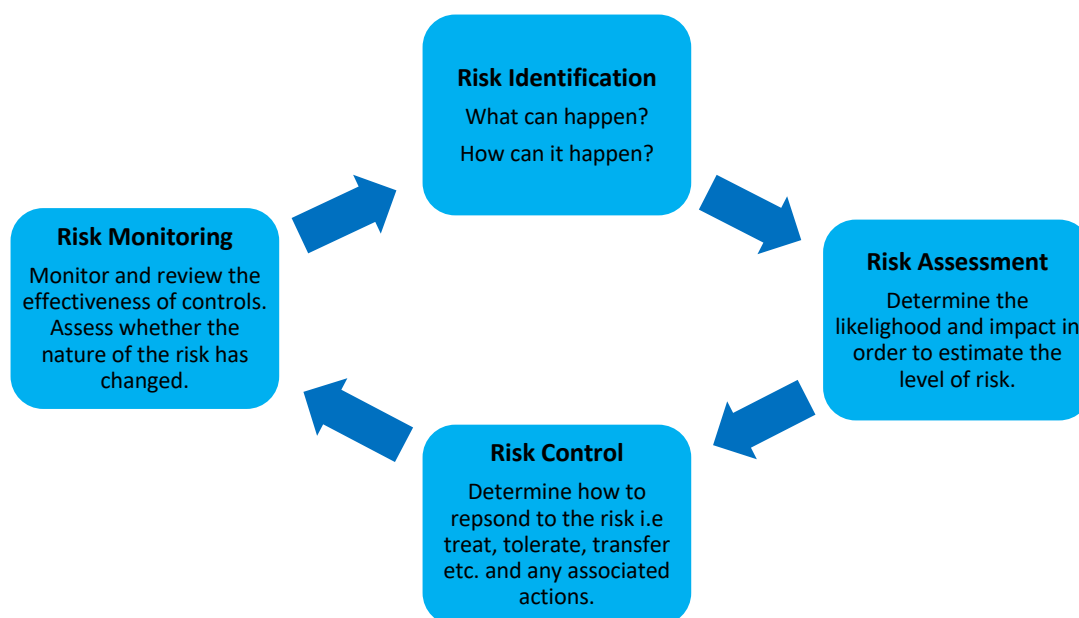
3.2   The table below outlines the key roles within the 'Risk Management Framework':

Trustees	To oversee and monitor the effect on the whole Trust of risk.
Chief Executive Officer/Chief Finance Officer	To champion and provide a direct link between Trustees and the Audit & Risk Committee on all significant matters relating to the management of risk. To ensure that the Trust manages risk effectively through the development of a comprehensive 'Risk Management Strategy'
Local Headteacher	To champion an individual school approach to risk management and act as a conduit between the various Sections of the 'Risk Management Framework' within the Trust.
Office Manager (and/or identified lead link within each school)	To ensure that risk is managed effectively within their school in accordance with the agreed strategy and that all operational risks within their school are properly assessed and monitored and that any identified actions contained in 'Risk Reduction Actions' allocated within the Every system that relate to their school are properly implemented.
Audit and Risk Committee	To ensure that the strategic actions & processes identified within the risk management strategy are effectively implemented and embedded.
Section Leaders	To identify and manage risks effectively in their particular sections.
Employees	To identify and manage risk effectively in their job.

3.3   The detailed responsibilities associated with the roles in the table above are given at Appendix 1.

3.4   An Audit & Risk Committee is to be established for the Trust to ensure that the strategic actions & processes identified within the risk management strategy are implemented at an operational level and comprises of the following core representatives, or their nominated deputies:

- At least 2 Trustees (not including Trust staff);
- Additional members of the governance structure (e.g. members of LGCs) as nominated by Trustees;
- Chief Executive Officer (Guest)
- Chief Finance Officer (Guest)

3.5   The Audit & Risk Committee responsibilities include:
- Identifying areas of overlapping risk;
- Sharing good practice on all aspects of risk management;
- Feeding into strategy development and review process;
- Implementing & updating the Risk Management Strategy;
- Preparing Risk Management Monitoring Reports for Trustees as required;
- Producing 'Risk Reduction Action Plans' (via the Every system) as required to address those risks with a 'Risk Rating' of 15 or more.

4. Arrangements for Managing Risks

4.1   To manage risks effectively, they need to be systematically identified, analysed, controlled and monitored. The 4 stages in the risk management cycle are illustrated in the diagram below:

Risk Identification
What can happen?
How can it happen?

Risk Assessment
Determine the likelighood and impact in order to estimate the level of risk.

Risk Control
Determine how to repsond to the risk i.e treat, tolerate, transfer etc. and any associated actions.

Risk Monitoring
Monitor and review the effectiveness of controls. Assess whether the nature of the risk has changed.

4.2   The risk management system to be employed within the Trust is provided through Every www.weareevery.com

4.3   The same hazards and risks may face one or more services within the Trust e.g. vandalism and security. Formal whole Trust working through the Audit & Risk Committee will help to identify and manage these overlapping risks.

5. Monitoring Arrangements

5.1   Processes and controls for managing risks will be monitored and reported on so that losses are minimised and intended actions are achieved. Reporting upwards is necessary on the whole spectrum of risks in the risk profile – not just on those being controlled. This ensures there is a mechanism for monitoring the level / types of risks that the Trustees, Schools and Local Governance Committees are proposing to tolerate.

5.2   A 'Risk Register' for the Trust (and within individual schools if needed) will be maintained with input from the Finance & HR Committee, Leadership Group, Local Governance Committees and Section Managers to record all risks.

- Where necessary 'Risk Reduction Action Plans' will be produced by the Audit & Risk Committee on a termly basis for monitoring by Trustees and the Finance & HR Committee;
- The Audit & Risk Committee will immediately report on high priority strategic risks that are causing concern;
- The Audit & Risk Committee will produce regular 'Risk Management Monitoring Reports' together with details of any high priority risks that have been identified during the period or remain unresolved from an earlier period, for consideration by the Trustees and Finance & HR Committee.

5.3   The Audit & Risk Committee will carry out an annual review of the Trust's risk management arrangements to provide independent assurance as to their effectiveness.

5.4   The school, with assistance if required, from the CFO & CEO, will undertake a regular, termly, risk audit, to verify the existence of up to date risk assessment documentation within each school/service area and that any specific school/service responsibilities identified within strategic risk management action plans have been properly implemented.

6. Training & Communication Arrangements to Support Implementation of The Strategy

6.1   Training in the risk management methodology and techniques will be provided to those employees and Trustees with direct responsibility for / involvement in driving the risk management process i.e. representatives from:
- Audit & Risk Committee;
- Finance & HR Committee;
- Leadership Group;
- School and section Leaders;
- Office Managers

6.2   General risk awareness sessions will be provided for relevant employees.

6.3   Bulletins on risk management will be provided via Every, Office365, through the staff briefing process and/or the internal email system, as appropriate.

7. Funding of Risk Management

7.1   Initially funding of risk management will be from within existing budgets. If specific budgets become necessary, approval will be sought in line with the Financial Regulations, Delegated Levels of Financial Authority and Scheme of Delegation.

7.2   All bids for additional funding prepared as part of the budget process shall include an assessment of risk using the specified methodology.

8. Action Planning and Review of Risk Management Strategy

8.1   To ensure that risk management is embedded within the day to day workings of the Trust the Every system will be regularly shared at appropriate levels within the Trust.

8.2   In recognition of the dynamic nature of risk management, this strategy will also be reviewed every two years to ensure its continuing relevance to prevailing Trust structures and activities.

9. Conclusion

9.1   Risk management is critical to the effective overall management of the Trust.

9.2   In addition to offering cost savings, risk management can reduce service disruption and enhance the experience of stakeholders dealing with the Trust. It can also help minimise the exposure of the Trust to negative publicity and costly litigation. Risk management can also be used to identify positive risks that help encourage innovation, on the basis that risks are reduced to acceptable levels, e.g. collaborative working with other schools and obtaining external funding for additional services and activities.

9.3   Many of the skills and resources needed to manage risk effectively already exist in the Trust.

         This strategy offers a more structured approach to risk management.

Appendix 1 – Roles & Responsibilities within the Risk Management Framework

1. **Management Arrangements**

   1.1. Definitions for and examples of strategic risks are provided in Appendix 2

   1.2. Each Section Leader will be responsible for managing the risks allocated to them within the Every system.

   1.3. Risk assessments will be a key element of the curriculum/service planning process.

   1.4. The Audit & Risk Committee will ensure that the strategic actions & processes identified within the risk management strategy are fully implemented operationally by Section Leaders.

2. **Identifying Risks in the Decision Making Process**

   2.1. In all of its decisions, the Trust should be able to demonstrate that it took reasonable steps to consider the risks involved in a decision. Risks must therefore be addressed within reports to Trustees. For major new projects and partnership working, the specific risks should also be identified and shared with other relevant and interested partners.

   2.2. In considering risk, a balance must be struck between efficient decision making and the consideration of risk. All reports requiring 'key decisions' from the Board of Trustees, including new and amended policies, procedures and strategies, should include a section to demonstrate that risks have been assessed and addressed.

3. **Risk Evaluation Responsibilities**

   3.1. The Audit & Risk Committee will ensure that effective risk management is in place in all Section areas. All employees should be made aware of their responsibilities in managing risks and contributing to the Trust's overall strategies. Where specific procedures are in place to manage risk, these should be clearly communicated to all relevant employees by the Section Leaders or their nominated deputy.

   3.2. The roles and responsibilities of individual employees are shown in Appendix 1.1

   3.3. Risk Assessments will be reviewed by Section Leaders at least annually for existing activities / operations and at the planning stage in respect of new initiatives, partnerships and projects. More frequent assessments shall be required if unanticipated events or incidents occur, e.g. delays in delivering a project or an accident resulting in injury. The Risk Register should be updated by the Audit & Risk Committee to clearly indicate ongoing actions and review even if previous assessments and outcomes remain unchanged.

Appendix 1.1 Roles and Responsibilities within the Risk Management Framework

| Group/Individual	Role	Responsibilities
Trustees	To oversee and monitor the effective whole Trust management of risk through the Audit & Risk Committee.	- To gain an understanding of risk management and its benefits; - To require the Local Governing Bodies to develop and implement an all-encompassing strategic approach to risk management; - To approve the risk management strategy; - Receive regular update reports from the Audit & Risk Committee and consider any strategic recommendations arising from issues raised; - To consider risk reduction measures that have additional budgetary implications; - To undertake an 'Annual Risk Audit' to ensure compliance with the requirements of the strategy
Chief Executive Officer/Chief Finance Officer	To ensure that the Trust manages risk effectively through the implementation and development of a comprehensive risk management strategy.	- To gain an understanding of risk management and its benefits; - To develop the risk management strategy; - To monitor and review the effectiveness of the risk management strategy; - To agree any inputs and resources required to support the work corporately; - To identify and ensure that risk assessments are undertaken to reflect the requirements of the Civil Contingencies Act 2004.
Local Headteachers or identified key leaders	To champion a whole school approach to risk management and act as a conduit between the various Sections of the 'Risk Management Framework'	- To provide professional advice to the Audit & Risk Committee as required; - To contribute to the risk management strategy as part of the Leadership Group; - To promote, support and lead on the implementation of risk management within the school. - To ensure that school risk assessments are carried out where necessary or identified, including appropriate action plans and listed mitigations, and are regularly reviewed and implemented.

Group/Individual	Role	Responsibilities
H&S Leaders/ Co-ordinators & Section Leaders	To ensure that risk is managed effectively within their Section in accordance with the agreed strategy.	- To feed into the development of the risk management strategy from a Section/service specific perspective through the Audit & Risk Committee as necessary; - Ensure that all operational risks within their service areas are properly identified, assessed and monitored and that any identified actions contained in 'Risk Reduction Action Plans' that relate to their Section/service area are effectively implemented; (Trust Level for 'Trust' risks, school level for 'school' risks - To undertake investigations into incidents, near misses and accidents including management action to minimise the risk of future recurrence and to record details of such incidents, etc. on the Online Accident & Incident Reporting System; - To identify, manage, implement and monitor control measures for any risks that are Section specific which have not been explicitly addressed in the 'Risk Register'; - To promote risk management and ensure that the strategy is implemented effectively across their Section; - To liaise as appropriate with external agencies in identifying and managing risk; - To disseminate the detail of the strategy and allocate responsibilities for implementation to Section Managers and Employees; - To establish the training requirements of Section Managers and Employees with regard to strategy implementation & deliver appropriate training programs; - To work with the Office Manager in assessing the School's insurance Requirements.
Audit committee	To ensure that the strategic actions & processes identified within the risk management strategy are fully implemented operationally by Section Leaders	- To identify areas of overlapping risk. - Implement the Strategy Implementation Plan. - Produce 'Risk Reduction Action Plans' as required to address those risks with a 'Risk Rating' of 8 or more. - To share good practice on all aspects of risk management. - To assist the Leadership Team in the preparation, ongoing development and review of the Trust risk management strategy. - To encourage and promote the reduction of risks within the Trust's services, activities and functions for the benefit of all Trust stakeholders.

Group/Individual	Role	Responsibilities
		• To identify any dedicated inputs and resources required to support the integration of risk management into the work of the Trust. • To prepare, monitor and review the Trust's Strategic Risk Register. • To identify and communicate risk management issues to Sections including the development of internal standards and procedures, documentation and reporting arrangements for the management of risk. • To assist Sections in undertaking risk management activity through training and/or direct support. • To liaise as appropriate with external agencies in identifying and managing risk. • To review the findings of any investigations into incidents, near misses and accidents including management action to minimise the risk of future recurrence. • To report on risk management issues and prepare 'Risk Management Monitoring Reports' to the Leadership Team and Finance Committee as appropriate. • To review claims history so as to provide information to assist in negotiating Trust insurance cover in liaison with the Chief Finance Officer.
Business Support Managers (e.g. finance staff, site officers and caretakers, Governance & Compliance Manager)	To assist Section Leaders in the identification of operational risks and to manage such risks effectively in their particular sections	• To feed into the development of the risk management strategy from a Business Support Manager perspective through Section Leaders as necessary. • Ensure that all operational risks within their particular sections are properly identified, assessed and monitored and that any identified actions contained in 'Risk Reduction Action Plans' that relate to their particular section are properly implemented. • To undertake investigations into incidents, near misses and accidents including management action to minimise the risk of future recurrence and to record details of such incidents, etc. on the Online Accident & Incident Reporting System as required by Section Leaders. • To identify, manage, implement and monitor control measures for any risks that their particular section which have not been explicitly addressed in the Strategic Risk Register.

Group/Individual	Role	Responsibilities
		• To promote risk management and ensure that the strategy is implemented effectively across their section. • To liaise as appropriate with external agencies in identifying and managing risk as required by Section Leader. • To liaise as appropriate with external agencies in identifying and managing risk. • To disseminate the detail of the strategy and allocate responsibilities for implementation to employees. • To establish the training requirements of Employees with regard to strategy implementation & deliver appropriate training programs. • To assist Section Leaders in assessing the any specific insurance requirements.
Employees	To manage risk effectively in their job and act as 'eyes and ears' in terms of hazard identification & reporting defects	• To liaise with their line manager to assess areas of risk in their job. • To identify new or changing risks in their job and feed these back to their Section Manager. • To undertake their job within the risk management guidelines set down for them by their Section Manager • To ensure that the skills and knowledge passed to them are used effectively • To attend any risk management relating training as required • To liaise as appropriate with external agencies in identifying and managing risk • Ensure that all hazards, incidents, near misses and accidents are reported to Section Managers

Appendix 2 - Risk Management Methodology

Introduction
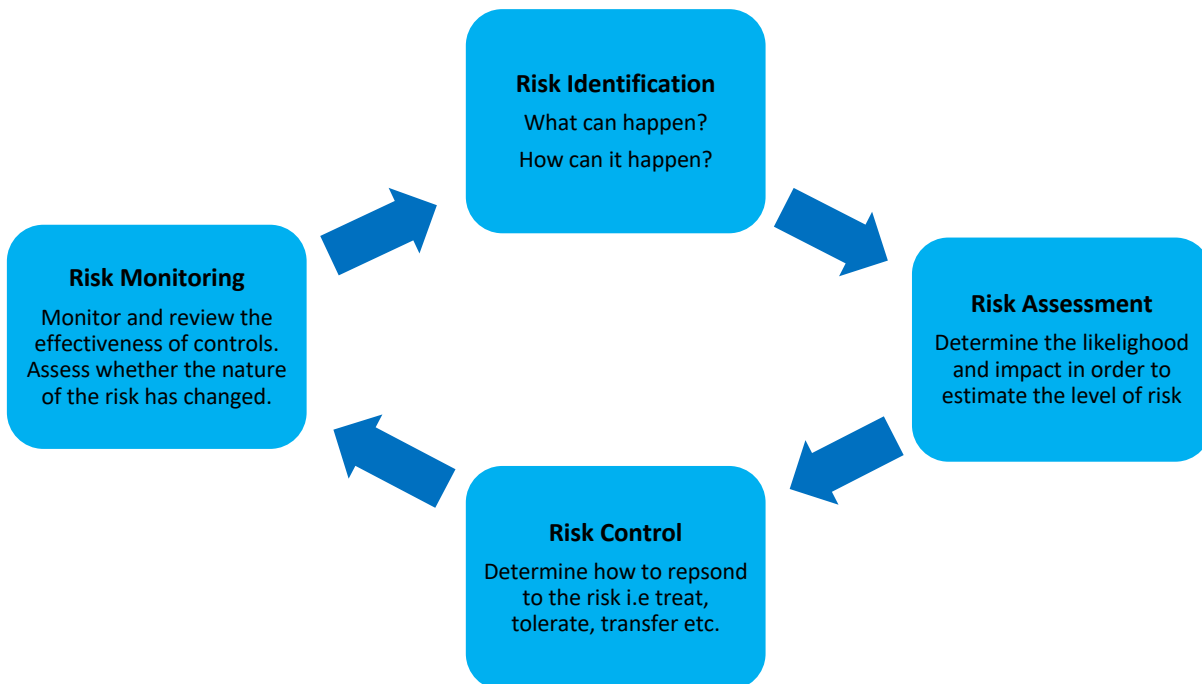
It is important to recognise that the 4 stages of risk management are part of a cycle. Risk management is dynamic and so the identification phase needs to be carried out continuously.

The process must include an audit trail, therefore an up to date overview of the Every system must be maintained:

1. **Risk Identification/ Review**
   1.1. The first step in the process is to analyse the various elements of the function, activity or service and identify the risks that can affect the achievement of the objectives for that function, activity or service. Appendix 2.4 lists the main categories of risks that need to be considered.
   1.2. The categories of risk will be reviewed periodically and should be used to assist in identifying and categorising a broad range of risks facing the Trust.

2. **Risk Assessment**
   2.1. Once risks have been identified they need to be assessed systematically and accurately. The process requires Risk Owners to assess the level of risk by considering:

   - The probability of an event occurring - "likelihood"; and
   - The potential severity of the consequences should such an event occur, impact.

   2.2 Risk Owners will assess each element of the judgement and determine the score in accordance with the following tables. The scores set out in the tables indicate the Trust's attitude to risk and it is vital that the indicative guidelines are used to ensure that a consistent approach to assessing risk is used throughout the Trust.

Score	Description	Indicative Guidelines
5	Very likely	• Likely to occur each year, or more than 80% chance of occurrence within the next 12 months • Is expected to occur in most circumstances • Will undoubtedly happen, possibly frequently • Imminent / near miss
4	Likely	• Likely to occur within a 2 year time period, or more than a 50% chance of occurrence within the next 12 months • Will probably occur in many circumstances • Will probably happen, but not a persistent issue • Has happened in the past
3	Possible	• Likely to occur within a 3-year time period, or more than a 30% chance of occurring within the next 12 months • Could occur in certain circumstances • May happen occasionally • Has happened elsewhere
2	Unlikely	• Not likely to occur within a 3 year time, and less than a 30% chance of occurrence within the next 12 months May occur only in exceptional circumstances • Not expected to happen, but is possible • Not known in this activity
1	Very unlikely	• Conceivable, but only in extreme circumstances • Is never likely to occur • Very unlikely this will ever happen • Force majeure

In considering timescales, regard should be given to the practices, procedures and equipment utilised within the Schools to minimise risks when assessing the likelihood of a risk occurring, e.g. Employees in Schools have been assaulted from time to time and in a few exceptional cases have been killed.

This does not automatically require a score of 3 or more because "it has happened elsewhere".

In considering an appropriate score the procedures, practices and equipment currently in place should be accounted for, e.g. security glazing on counters to protect reception staff, lone worker procedures, mobile phones, etc.

Impact

Score	Description	Indicative Guidelines
5	Severe	• The financial impact will be between £100,000 and £250,000. Has a high impact on the Trust's strategy or on teaching and learning. Has high stakeholder concern • Risks which can have a catastrophic effect on the operation of the Trust or particular Faculties/Service areas. This may result in critical financial loss, severe service disruption or a severe impact on the public. E.g. Unable to function without aid of Government or other external Agency

Score	Description	Indicative Guidelines
		• Inability to fulfill obligations; • Medium - Long term damage to service capability • Severe financial loss – supplementary estimate needed which will have a catastrophic impact on the Trust's budget plan and resources are unlikely to be available • Death • Adverse national publicity - highly damaging, severe loss of public confidence • Litigation certain and difficult to defend • Breaches of law punishable by imprisonment
4	Major	• The financial impact will be between £10,000 and £100,000 Has a significant impact on strategy or on teaching and learning. • Has Significant stakeholder concern • Risks which can have a severe effect on the operation of the Trust or particular Faculties/Service areas. This may result in major financial loss, major service disruption or a significant impact on the public. E.g. Significant impact on service objectives • Short - Medium term impairment to service capability • Major financial loss - supplementary estimate needed which will have a major impact on the Trust's financial plan • Extensive injuries, major permanent harm, long term sick • Major adverse local publicity, major loss of confidence • Litigation likely and may be difficult to defend • Breaches of law punishable by fines or possible imprisonment
3	Moderate	• The financial impact will be between £1,000 and £10,000. Has a moderate impact on strategy or on teaching and learning. Has moderate stakeholder concern. • Risks which have a noticeable effect on the Trust or particular • Faculties/Service areas. Each one will cause a degree of disruption to service provision and impinge on the budget. E.g. Service objectives partially achievable • Short term disruption to service capability • Significant financial loss - supplementary estimate needed which will have an impact on the School's financial plan • Medical treatment required, semi-permanent harm, short term sick • Some adverse publicity, needs careful public relations • High potential for complaint, litigation possible • Breaches of law punishable by fines only
2	Minor	• The financial impact is likely to be below £1,000 Has a very low impact on strategy or on teaching and learning • Risks where the consequences will not be severe and any associated losses will be minor. As individual occurrences they will have a negligible effect on the Trust or particular Faculties/Service areas. However, if action is not taken, then such risks may have a more significant cumulative effect. E.g. Minor impact on service objectives

Score	Description	Indicative Guidelines
		• No significant disruption to service capability • Moderate financial loss – can be accommodated at service level • First aid treatment, no permanent harm • Some public embarrassment, no damage to reputation • May result in complaints / litigation • Breaches of regulations/standards
1	Almost none	• Very low stakeholder concern • Risks where the consequences will not be severe and any associated losses will be relatively small. As individual occurrences they will have a negligible effect on the Trust or particular Faculties/Service areas. However, if action is not taken, then such risks may have a more significant cumulative effect. E.g. Minimal impact, no service disruption • Negligible impact on service capability • Minimal loss - can be accommodated at service level • No obvious harm/injury • Unlikely to cause any adverse publicity, internal only • Breaches of local procedures/standards

4. The risk ratings for each part of the assessment are then combined to give an overall ranking for each risk. The ratings can then be plotted onto the risk matrix, see below, which assists in determining the risk priority.

Risk		Impact				
		Almost none (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)
Likelihood	Very likely (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Very unlikely (1)	1	2	3	4	5

Key to Risk Management Action Level	Tolerable	Low Priority	High Priority

3. Risk Control

3.1. Having identified and analysed the risks, it is necessary to decide what to do and who will do it. Priority will be given to the highest risks, i.e. those:-

- That most threaten key areas of service provision; and/or

- Where the existing controls are weakest.

3.2. In some instances, i.e. for low-scoring risks it may be acceptable to do nothing and "accept" the risk. However, the situation will need to be monitored to ensure that such risks do not run out of control.

3.3. Where it is not deemed appropriate to accept the risk, the risk will need to be controlled. Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. There are 3 main options for controlling risk - avoidance, reduction and risk transfer.

3.4. Risk avoidance involves the Trust opting not to undertake a current or proposed activity because it is considered to be too risky.

3.5. Risk reduction is dependent on implementing projects or procedures which will minimise the likelihood of an event occurring or limit the severity of the consequences should it occur.

3.6. Risk transfer involves transferring liability for the consequences of an event to another body.
This may be done in two ways:-
(i) Legal liability may be transferred to an alternative provider under contractual arrangements for services delivery; or
(ii) The costs associated with a damaging event may be reduced by transferring some or all of the financial risk to external insurance companies.

3.7. Most risks can be managed – either by minimising the likelihood of the risk occurring and / or reducing the severity of the consequences should the risk occur. Relatively few risks have to be avoided or transferred.

3.8. Risk owners must judge which courses of control action are the most appropriate to address each of the risks they have identified, taking advice from the Audit & Risk Committee where appropriate.

3.9. The cost/benefit of each control action must be assessed. The benefits will not always be solely financial. Risk owners need to use their own professional knowledge and experience to judge whether the financial cost of risk control is justified in terms of non-financial benefit to the Trust. On occasions, risk owners may conclude that the cost of the control action may outweigh the benefits which will accrue to the Trust as a result of the action being taken. In such instances, all or an element of the risk is retained and risk owners should ensure that this is managed effectively by periodic testing of practices, procedures and equipment. However, no statute should be breached when making this decision.

3.10. The Audit & Risk Committee will produce a 'Risk Reduction Action Plan' for all risks with an initial risk score of 10 or more, which identifies the risks, the control actions, the person responsible and timescales.

4   Risk Monitoring

4.1. To complete the risk management cycle, there must be monitoring and review of:-
- The implementation of the agreed risk reduction action plan;
- The effectiveness of the action in controlling the risk; and
- How the risk has changed over time.

4.2. The Audit Committee will monitor the implementation of risk reduction action plans to ensure that responsibilities, deadlines and costs do not slip. Updates of the Risk Register must identify work that has been completed towards the achievement of action plans or reasons given for any slippage, together with any remedial action that is proposed.

Appendix 2.1 – Categories of Risk

The Trust has defined the following risk categories. They will be reviewed periodically and provide a framework for identifying and categorising a broad range of risks. The categories may overlap and cannot be considered in isolation.

Strategic and Governance Risks

Those risks that may be potentially damaging to the achievement of the Trust objectives.

- Focus on the wrong strategic priorities
- Not meeting the Government's education agenda
- Key decisions based on incomplete or faulty information
- Intervention in the management of the Trust by government/agencies
- Too slow to innovate/modernise
- Unfulfilled promises to parents and other stakeholders
- Trust planning oversights/errors

Financial Risks

Affecting the ability of the Trust to meet its financial commitments. These include internal budgetary pressures, inadequate insurance cover, external macro level economic changes (i.e. interest rates, inflation etc.), or the consequences of proposed investment decisions.

Examples:
- Local, regional and national economic conditions
- High cost of capital
- Failure of major project(s)
- The competitiveness of the Trust (in terms of cost or quality) and / or its ability to deliver Best Value.
- Failure to prioritise & allocate appropriate budgets and monitor effectively
- Missed business and service opportunities
- Inefficient/ineffective processing of financial documents
- Failure of bids for government and other external grant funding

Technological

Associated with the capacity of the Trust to deal with the pace / scale of technological change, or its ability to use technology to address changing demands.
  They may also include the consequences of internal technological failures on the Trust's ability to deliver its objectives. Examples:-
- Obsolescence of technology
- Hacking or corruption of data
- Failure of big technology-related project
- Crash of IT systems affecting service delivery
- Breach of confidentiality
- Failure in communications
- Breach of security of networks and data
- Bad management of intranets and web sites

Legal Risk

Associated with current or potential changes in national or European law. Examples:-

- Failure to take account of or inadequate response to new legislation
- Breaches leading to intervention by regulatory bodies and inspectorates
- Not meeting statutory duties/deadlines
- Failure to comply with European directives on procurement of works, supplies and services
- Human Rights Act breaches
- Breach of confidentiality/Data Protection Act
- Failure to implement legislative change
- Non-compliance with health & safety legislation

Reputational and Stakeholder Risk

Associated with failure to meet the current and changing needs and expectations of pupils, parents, customers or partners

- Complaints / Ombudsman investigations
- Lack of appropriate consultation
- Bad public and media relations
- Failures in partnership working

Human Resources Risk

Associated with the particular nature of each profession employed within School.

- Failure to recruit/retain qualified staff
- Lack of training and development
- Over reliance on certain key individuals
- Inefficient/ineffective management processes
- HR Systems and management data not up-to-date
- Inability to embrace and implement change
- Lack of employee motivation/efficiency
- Poor levels of sickness absence affecting delivery of the Trust's objectives
- Stress in the Workplace
- Ineffective forecasting of future staffing levels

Health & Safety Risk and Compliance

Related to fire, security, accident prevention and health and safety (e.g. hazards / risks associated with buildings, vehicles, plant and equipment, etc.

- Attacks against the person
- Vandalism and damage
- Non-compliance with health and safety legislation
- Theft or loss of physical assets

Operational Risks

Associated with the failure of contractors to deliver services or products to the agreed cost and specification.

- Over reliance on key suppliers/contractors
- Failure of outsourced provider to deliver
- Project related risks (for projects costing over £10,000 in value or lasting for 3 months or longer in duration)
- Quality issues
- Non-compliance with procurement policies

Safeguarding Risk

Linked to implementation of safeguarding practice, particularly in respect of safer recruitment.

- Incomplete DBS checks
- Unsupervised volunteers

Standards Risk

Related to academic performance and inspection outcomes and/or impact of implementation of supplementary grants (pupil premium etc.)

- Fall in Ofsted grading
- Failure to reach academic forecasts

NB The above are examples of risks. The categories are not intended to be prescriptive and may overlap.

Appendix 3

Strategy Implementation Plan

The actions outlined in the following table will be undertaken to ensure that risk management becomes embedded within the day to day workings of the Trust.

Action Required	By whom	Resources Required	Timescale for completion	Status
Provide ongoing training and awareness sessions for: • Board of Trustees • Audit & Risk Committee • Leadership Team • H&S Coordinator / Manager • Section Leaders • Business Support Managers • Employees	Chief Executive Officer, Chief Finance Officer, H&S Coordinator / Manager	Deliverer time –1 day • Meeting rooms, PowerPoint presentation equipment • time involved for attendees – 1 hour	Annual review	Ongoing
Identify a 'Risk Owner' and produce a 'Risk Reduction Action Plan' for all identified risks with a risk score of 10 or above.	Chief Executive Officer, Audit & Risk Committee	Core representatives time – 4 x ½ days	Annual Review	On going
Develop a communications strategy to ensure that all staff are regularly reminded of the importance of effective risk management & of their own individual responsibilities	Audit & Risk Committee	Core representatives time – ½ day School Business Support Leader's (or identified staff) time in preparing the strategy– ½ day	Annual Review	Ongoing
To undertake an 'Annual Risk Audit' to ensure compliance with the requirements of the strategy	Finance Committee	3 Trustees time - ½ day	Annual	On going

Action Required	By whom	Resources Required	Timescale for completion	Status
Review effectiveness of the 'Risk Management Strategy' & associated risk control measures within the Trust	Leadership Team	Leadership team's time - ½ day Chief Financial Officer time in writing up the new plan – ½ day	In line with internal scrutiny annual cycle.	On going