

RISK MANAGEMENT POLICY

Potteries Educational Trust

DRAFT



Policy Family	Governance
Reference	GOV-04

Responsible Manager	Chief Executive Officer
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Aim

The policy and associated procedures aim to ensure that the Trust and its member academies identify and manage risks proportionately.

Scope

The policy and associated operating procedures apply to The Potteries Educational Trust, which includes a number of member and associate member organisations. Collectively, the member organisations within the trust are referred to as The Trust.

Policy

Responsibilities

The Board of Trustees

The Potteries Educational Trust as a corporate body is responsible for management of risk, and the Board of Trustees are therefore ultimately responsible for approval, implementation and oversight of this policy within all member organisations. Their responsibilities are for determining the approach of the organisation to risk management, determining the risk appetite for the Trust and ensuring effective operation of the risk management policy and its associated procedures, including oversight of a risk register drawing on the advice provided by the Trust Audit and Risk Committee.

The Trust Board will determine the level of risk appetite and identify the types of risk that are acceptable and which are not by setting the standards and expectations of staff with respect to conduct and probity.

The Trust Board has responsibility to approve major decisions affecting the Trust or its individual academies where there is a significant risk of exposure or risk to reputation.

The Trust Audit and Risk Committee

The Trust Audit and Risk Committee are responsible for maintain full oversight of the Trust Risk Register at least once each term during the academic year and oversight of the individual academy risk registers at least once per academic year and receiving and monitoring reports related to risk.

Delivering excellence and inspiring futures

The Trust Audit and Risk Committee have delegated responsibility from the Trust Board to monitor the management of significant risks to reduce the likelihood of major impact or unwelcome surprises.

The Trust Audit and Risk Committee will take advice from the Trust Finance and Resources Committee, Teaching and Learning Committee and Local Governing Bodies on issues related to the level of risks specific to those areas of business overseen by that committee or LGB.

The Trust Audit and Risk Committee will direct the Trust's programme of internal scrutiny and through internal scrutiny ensure that risks are being addressed appropriately and provide a report to the board of the adequacy of the Trust's internal control framework.

The Trust Audit and Risk Committee will provide assurance to the Trust Board that key risks are being managed effectively and that through the implementation of the risk management framework there is a robust system of risk management that operates to mitigate or avoid risks that threaten the position of the Trust.

Trust Committees

Each committee and Local Governing Body has responsibility to ensure oversight of the risk register and procedures for its area of delegated responsibility / individual academy.

At each governance committee and LGB meeting there will be a standing item on the risk register and the committee will address the risks pertinent to that committee or Local Governing Body. Following the meeting they will provide assurance to the Audit and Risk committee that the policy is being effectively implemented, that risks are being controlled effectively and report on any significant changes.

The Local Governing Body is also responsible for ensuring that appropriate business continuity and contingency plans are in place for individual academies.

Executive Group

The Chief Executive Officer has responsibility for identifying, with the Executive Group and the Board of Trustees, the significant risks to the Trust, implementation of policy and procedures, development of risk registers, management of risk including implementation and monitoring of mitigating control measures identified as part of the risk register and in risk assessments associated with the normal operation of the academies business, including business continuity and contingency planning.

Headteachers and Principals of individual academies or the delegated senior leader have responsibility for the implementation of policy and procedures in their individual academy

Senior Managers and Middle Managers

Senior managers and middle managers will support the Executive Group and Trust Board in the implementation of the risk management policy and procedures, identify and monitor risks and relevant mitigating control measures in their designated areas regularly as part of normal business operations and provide update reports to the Executive Group as appropriate.

All staff and students

All staff and students have a responsibility to follow the risk management policy and procedures and to ensure that any significant risks are reported as appropriate.

What is risk?

Risk can be defined as: the possibility of something happening which would adversely affect the ability of the Trust to meet its strategic or business objectives, including the maintenance of its financial viability, its ability to continue to deliver quality services to its students and customers, and the retention of its good public image and staff goodwill.

The Trust will seek to minimize risk by adopting a robust approach to risk management across the organisation to identify, assess, mitigate and report on threats that affect the achievement of the organisation objectives.

The Trust supports a proportionate, 'risk based' approach to decision making in the Trust. It believes that good risk management is fundamentally about supporting staff in making informed decisions about risk taking and the degree of control required and any mitigation that may be needed should the risk be realised. This Risk Management policy helps to secure the following:

- The achievement of the Trust's objectives in the most effective manner
- The delivery of value for money
- Support for effective corporate governance
- Production of better outcomes and protection of reputations
- Reduction of risk related costs
- The ability to be appropriately proactive without undue risk

What is risk management?

Risk management is the identification, assessment, and prioritisation of risks that are followed up by actions that aim to minimise, monitor and control their probability and/or impact. The Trust's approach to risk management is not about trying to eliminate all risks. It is about understanding and responding positively to the risks faced by the organisation. The approach considers threats to the Trust (negative risk) and opportunities (positive risk).

Risk strategy

It is recognised that inevitably there will be some risks to the Trust in order to achieve its aims and deliver beneficial outcomes. Risks will be taken on a considered and controlled manner, with exposure to risks kept at a level of impact deemed ultimately acceptable to the Audit and Risk Committee, noting that the acceptable level may vary from time to time. Some particular risks, above the agreed acceptable level, may be accepted because:

- The likelihood of the risk occurring is deemed sufficiently low
- They have the potential to enable realisation of considerable reward / benefit
- They are considered too costly to control given other priorities
- The cost of controlling them would be greater than the cost of the impacts should they materialise
- There is only a short period of exposure

There will be an overarching risk register maintained for the Trust and one for each individual academy.

Control measures should be identified to meet one of the following:

- Tolerate and accept the risk
- Treat the risk – control and reduce the risk
- Transfer the risk (e.g through sub-contract or an insurance policy)
- Terminate and remove the risk
- Take advantage of the risk

Implementation

The identification of risks across the Trust is the responsibility of all. Risk management is an integral part of the business planning process to identify the risks that may affect the achievement of the objectives.

Each risk register will include a section on:

- Curriculum and Quality risk
- Leadership and Management Capacity risk
- Financial Risk
- Capital Projects and Estates
- Resources
- Infrastructure
- Safeguarding
- Governance

A key consideration for all risks is to eliminate threats to the reputation of the Trust and its academies.

Risks will be assessed using a 5 x 5 matrix to identify the likelihood (probability) of the risk v the impact of the risk with 5 being extremely likely or high impact and 1 being highly unlikely and low impact.

		1	2	3	4	5
Likelihood (Probability)	5	5	10	15	20	25
	4	4	8	12	15	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		Impact				

Communication

This Policy will be circulated to appropriate staff within the Trust and is available on the Potteries Educational Trust website.

Monitoring

The responsible manager named on the front of this policy is responsible for ensuring that this document is kept up to date and revised as appropriate, seeking management and/or trustee approval in advance of the review date so that a new version can be communicated to staff and stakeholders in a timely fashion.

Associated Information and Guidance

The Policy will also be amended in line with governmental guidance on risk management for multi academy trusts and the requirements for the Academies Trust Handbook.