



## Risk Management Policy

<b>Date of Last Review</b>	March 2025
<b>Approval Body</b>	Audit and Risk Committee
<b>Approval and Implementation Date</b>	March 2025
<b>Review Date</b>	September 2027

<b>Version</b>	<b>Approval Date</b>	<b>Summary of Changes</b>
1	March 2025	New Policy
2		

**Contents**

1.	Purpose of the policy.....	3
2	Roles and responsibilities.....	3
3	Risk Management Strategy.....	4
4	Risk Management Process.....	4
5	Risk appetite and capacity statement.....	5
6	Identifying and categorising risk.....	5
7	Measuring risk.....	6
8	Risk Treatment.....	7
9	Control & Reporting.....	7
10	Risk Register.....	8
11	Monitoring arrangements.....	9

## **1. Purpose of the policy**

- 1.1 Parbold Douglas CE Academy is a standalone academy trust and recognises the importance of trust progression; however, it is important that we recognise change and development does not come without its risks. The trust's top priority is the pursuit of its deeply Christian vision. This includes offering its pupils the best possible education to maximise their potential. To do this, it is necessary to progress, make changes and ultimately create risk; therefore, the trust will always take a proactive approach towards risk management.
- 1.2 Parbold Douglas CE Academy is committed to minimising risk through effectively identifying, categorising, measuring, managing, monitoring and reporting risk. This means managing the likelihood of an unwanted event happening, assessing the consequences of this, and ultimately assessing the benefits and threats to focus mitigating and preventing harm in all areas of the trust's operations.
- 1.3 Risk management is the identification, measurement, management, monitoring, control and reporting undertaken to mitigate against risks/threats to the Academy Trust's objectives and operations. Such threats can arise from change or uncertainties coming from different sources; financial, IT, environment, policies, poor management, etc.

### **1.4 The purpose of this policy is to ensure:**

- the Academy Trust has embedded processes to identify, mitigate and monitor risks.
- scrutiny of internal controls and to ensure they are adequate, valid and up to date.
- governance arrangements provide assurance that best practice is adhered to and meets ESFA/DfE expectations as outlined in the Academy Trust Handbook and Academy Trust Governance guide.

### **1.5 Why do we need a risk management policy?**

- To protect our staff, pupils and assets;
- To ensure the long-term operational viability of the Academy Trust;
- To preserve the good reputation of the Academy Trust;
- To reduce costs that arise from the underlying risks;
- To ensure that the risks posed by new threats, changing social, environmental and legislative requirements are identified and mitigated;
- Fostering good culture and best practices.

## **2 Roles and responsibilities**

- 2.1 The Trust Board and Risk and Audit Committee are responsible for:
- Discussing, reviewing and agreeing on the Trust's risk appetite.
  - Ensuring risks are identified, managed, measured and reported appropriately by the correct people.
  - Ensuring communication with all staff is clear so that risks or control failures do not go unreported.
  - Delegating responsibility to manage areas of risk, where applicable.
  - Keeping informed about significant risks within the trust and what mitigation processes are being employed.
  - Informing the board of governors if the measures in place to mitigate risks are inefficient.
- 2.2 The Headteacher is responsible for:
- Overseeing the effective use of the trust's resources.
  - Arranging for mitigation or prevention measures to be put in place where financial investment creates a risk.
  - Creating budgets for approval by governors in conjunction with the School Business Manager.
  - Acknowledging, mitigating and preventing risks which endanger the safety of pupils, staff and visitors.
  - Ensuring risk-taking does not conflict with the trust's Health and Safety Policy.
  - Communicating with the site manager to ensure the site is safe to attend in the event of adverse weather.
- 2.3 The DPO is responsible for:
- Ensuring the trust's data is secure and protected from external risks.
  - Putting mitigation measures in place for the transfer of data.

- Ensuring risk-taking does not conflict with the trust’s Data Protection Policy.

2.4 All staff are responsible for:

- Defending and upholding the trust’s reputation and protecting the trust from the negative impact of risk on a day-to-day basis.
- Reporting risk and control failures to the headteacher.

### **3 Risk Management Strategy**

3.1 The Academy Trust Risk Management Strategy firstly outlines the framework for managing risks faced and pinpoints the roles and responsibilities played by staff, senior management and trustees in risk management.

3.2 Strategic risk management aims of the Academy Trust are to:

- Identify and assess risks that could prevent or make it difficult for our schools or the Academy Trust from accomplishing one or more of its strategic objectives or delivery targets.
- Consider the likelihood of the risk’s occurrence and the potential impact.
- Ascertain the risk appetite to determine the level of risk tolerance acceptable and to put in place measures to safeguard against it, to transfer or insure against the risk and identify responsibilities for implementation.

### **4 Risk Management Process**

#### **4.1 Identification**

4.1.1 The starting point of our risk management process is identification, which should be done as a joint effort under ESFA guidance best approach is “top down”. We do this by:

- Raising awareness and fostering the right mindset when undertaking an activity or decision.
- Checking the pros and cons associated with an activity, thinking before we act and looking at the impact.
- Rolling out documented Academy Trust policies for the control of risk and effectively communicating these out to all staff;
- Training and education of our staff as well as guidance/advice where there is uncertainty;

4.1.2 The Headteacher and trustees must identify key risks and the associated control measures each term and record them on **the** risk register. The main considerations for risk assessment are probability and impact, and then identifying appropriate actions to reduce risk probability, impact or both. The Audit and Risk Committee also review risk for the Academy Trust such as strategic, operational and financial risks.

#### **Identifying risk and managing risk**

Headteacher completes ‘key risks’ termly summarising:

**Risk:** What the risk is

**Mitigations:** what is being done/ needs to be done to reduce the risk

**Responsibility:** Who is responsible for overseeing these mitigations

**Time:** When do the mitigations need to be taken effect by

Audit and Risk Committee views the Risk Register and offers support and challenge to the Headteacher on the management of the risks.

#### **4.2 Measurement**

We review and assess the likelihood of any potential risk materialising and the effect of the risk on the aims of the Academy Trust, and then rank the impact of the most significant risks.

### **4.3 Monitoring and Management**

- 4.3.1 Key Risks are reviewed termly by Headteachers and trustees. The trustees will work to:
- Support schools to prevent or diminish risk using internal controls, policies & procedures, by assessing risk capacity (i.e. having effective resource to handle the risk);
  - Have contingency measures in place to mitigate the impact in event that projected risks do arise
- 4.3.2 Factors that are monitored should not be limited to one area but should reflect the holistic overview of all the risks that can be faced.
- 4.3.3 Once risks have been assessed, evaluated and ranked, academy trusts will need to ensure there are appropriate plans to manage them. These plans include preventative controls, mitigation processes and contingency plans, if risks materialise.
- 4.3.4 The approach taken will depend substantially on the academy trust's risk appetite and risk capacity:

**Risk appetite** – the amount of risk the academy trust is willing to accept in the pursuit of its objectives

**Risk capacity** – the resources (financial, human, and so on) which the academy trust is able to put in place in managing risk

- 4.3.5 Risk appetite is set in the termly risk register review that is carried out by the Audit and Risk Committee, which determines how much risk that we are willing to accept in achieving our objectives.

## **5 Risk appetite and capacity statement**

- 5.1 The trust will not take unnecessary risks unless they are justifiable. If taking a risk indicates that the trust's reputation and operation could be jeopardised, the trust will always consider the likelihood of this happening and how the risk will be controlled.
- 5.2 The trust accepts that risk is inevitable and is part of improvement, development and implementation; however, risk taking will be subject to the satisfactory completion of assessment and due diligence.
- 5.3 Where the cost or consequence of the risk and its likelihood of capitulating is deemed too high, and the methods involved which create the risk cannot be amended or removed to decrease the probability of severe consequence, the action will not take place as long as the trust can control this.
- 5.4 The risk appetite will be informed by an understanding of the trust's capacity, such as finances and staff availability, to mitigate the risk and secure positive outcomes.

## **6 Identifying and categorising risk**

- 6.1 It is the responsibility of the SBM, board of governors, resources and audit committee, and relevant staff members (including the Head teacher) to identify and categorise the risks involved in decision making, operations and changes which come about as a result of an internal, external, strategic or project variable.
- 6.2 For all risk categories, the trust will refer to mitigation or contingency plans which will help to minimise the impact of risks.
- 6.3 **Internal risks** – These risks will be, to some extent, under the control and responsibility of the trust and are a consequence of the decisions which it makes and events arising from within the trust. The trust will take the following actions to manage internal risks:
- The trust will conduct risk assessments for all activities related to internal risks, e.g. managing health and safety in line with the trust's Health and Safety Policy and data protection in line with the Data Protection Policy
  - The trust will maintain full control and responsibility for internal risks and assessing the risks associated with these
  - Communication with decision makers and stakeholders will be prioritised when identifying internal risks

- Everyone who is impacted by the capitulation of an identified risk will be fully informed and made aware of what could happen

6.4 **External risks** – The trust will prepare for external events, e.g. a pandemic or extreme weather, and considers how to make the trust more resilient to such events. The trust will take the following actions to manage external risks:

- The trust will take all necessary action to avoid negative impacts associated with the capitulation of external risks, including the implementation of contingency planning for unpredictable events
- As part of contingency planning, sinking funds will be made available to aid the recovery from unexpected events which negatively impact the trust's finances
- Policies and procedures will be under constant review to ensure they are compliant with changes in statutory requirements for academy trusts
- The site will be made safe to attend and the trust will take the appropriate action if extreme weather threatens the safety of any pupils, staff or visitors
- To protect the trust's staff, pupils and assets, security measures will be in place and unauthorised visitors will not be permitted on the school site

6.5 **Strategic risks** – Risks involved in the achievement of the trust's core objectives will be considered and identified.

- The trust will take the following actions to manage strategic risks:
- The trust will take steps to communicate and listen to all staff members to limit staff turnover and ensure quality of provision
- The trust's decision making, planning and prioritisation will be continually monitored by maintaining a structured understanding of the wider environment.
- Efficient allocation and use of resources within the trust will be supported
- The trust will constantly review sector guidance and ensure its strategy is always compliant and in line with this
- Core decisions will be made by the board of governors and action will only take place where there is the required level of agreement
- The trust will seek to find positive solutions for all stakeholders

6.6 **Project risks** – The trust's involvement in critical projects, e.g. new buildings, will be subject to an assessment of how the project will be completed, what the benefits will be and whether the risk involved will benefit the trust to a satisfactory standard. The trust will take the following actions to manage project risks:

- To avoid harm to individuals or damage to assets, risk assessments will always be carried out before any building work takes place
- The trust will ensure all projects are affordable, beneficial, and within the limits of financial constraints and budgets

## **7 Measuring risk**

7.1 Having identified any risks, e.g. via risk assessments, the trust will measure and rank them to help assess whether the risk is worthwhile and if the risk is likely to be detrimental to the trust's aims and objectives.

7.2 The trust will assess all instances of risk by estimating the probability and severity of the risk and how it could negatively impact the trust's objectives. The trust will identify whether risks have minimal, minor, significant or major impact on its aims and objectives, and will take all the necessary steps to mitigate consequences.

7.3 The trust's risk appetite and risk tolerance grid will always be adhered to and, where the likelihood of a risk capitulating and the impact of this is very high, the trust will not tolerate the risk and will prioritise

risks which are less likely to have a negative impact on the trust's objectives. Where the risk tolerance grid indicates that an activity is too perilous, actions will be taken to reduce the risk score in an attempt to mitigate this risk and minimise the impact or likelihood of capitulation.

- 7.4 Risks which are deemed low level may be accepted, while medium level risks will be monitored with mitigation plans in place should the impact and likelihood of capitulation increase for any reason.

## **8 Risk Treatment**

The risk register assigns a risk treatment. The options considered are:

- 8.1 **Tolerating** risk is where no action is taken. This may be because the cost of instituting controls is not cost-effective or the risk or impact is so low that they are considered acceptable. For instance, the Academy Trust may decide to tolerate the risk of contracting with a supplier with a poor credit rating provided the goods/ services could be obtained relatively easily from someone else.
- 8.2 **Treating** risk involves controlling it with actions to minimise the likelihood of occurrence or impact. There may also be contingency measures to reduce impact if it does occur. For instance, an academy trust may decide to train more than the statutory minimum of staff as paediatric first aiders and to put in place a rota for first aid cover during lunchtimes. Policies, and their effective implementation, also act in this situation as a mitigating risk.
- 8.3 **Transferring** risk may involve the use of insurance or payment to third parties willing to take on the risk themselves (for instance, through outsourcing). An academy trust may decide to take out insurance to mitigate the risk of the excessive costs of supply staff in the event of extended staff absences.
- 8.4 **Terminating** risk can be done by altering an inherently risky process to remove the risk. If this can be done without materially affecting operations, then removal should be considered, rather than attempting to treat, tolerate or transfer. Alternatively, if a risk is ranked highly and the other potential control measures are too expensive or otherwise impractical, the rational decision may well be that this is a process the academy trust should not be performing at all. For instance, an academy trust may decide not to contract with a related party to eliminate reputational risk.
- 8.5 **Taking Advantage.** Uncertainty attached to risk sometimes offers opportunities as well as threats. For example, an academy trust may take advantage of working with a media company where the school gains publicity. This may run the risk of taking up staff time, but could lead to the opportunity to increase pupil numbers and funding.

## **9 Control & Reporting**

- 9.1 The updated risk register is shared with the Audit & Risk Committee so that any risks not in our existing risk register can be captured and any out-of-date risks can be removed or replaced with newly identified risks.
- 9.2 The effectiveness of risk management is monitored and reported on by carrying out checks. This is done through internal audits carried out to spot check adherence to policy, to bring to light new risks or risks that have become more serious.
- 9.3 The controls designed to manage identified risks are contained in other policies. Key examples of such policies are:
- Manual of Financial Procedures and Regulations
  - Health and Safety Policy
  - School H&S Policies & Arrangements
  - Whistleblowing Policy

## Parbold Douglas CE Academy

Risk Management Policy [Updated: March 2025] [Review: Sept 27]

- Fraud, Bribery and Corruption Policy
- Reserves Policy
- Child Protection and Safeguarding Policy

- 9.4 The board of governors and the resources and audit committee will set out when and what information regarding risks should be received. This information will be clear and offer important information on the trust's risks. The information reported to the board of governors and the resources and audit committee will help decide whether risks are being performed within the trust's risk appetite and being thoroughly mitigated. The number of risks reported and assessed will be a manageable number in order to ensure the trust's quality control and understanding of risks is not diminished.
- 9.5 Early warning signs that a risk carries will be reported to senior management so that action can be taken promptly.
- 9.6 All staff will report new risks or failing control measures as soon as possible.
- 9.7 The appropriate person responsible for the objective which is subject to risk will be aware of the risk and how to manage it. For example, the DSL is responsible for upholding the trust's Child Protection and Safeguarding Policy and will manage any issues related to safeguarding, whereas the SBM will be aware of and plan for mitigating risks which impact the trust financially.
- 9.8 The trust will report to stakeholders regarding the effectiveness of its risk management processes on an annual basis. Stakeholders will be made aware of whether the trust's risk management policies are effective in achieving its objectives.
- 9.9 The board of governors ensures that the trust does not report too many overlapping risks and that the trust makes attempts to ensure risks are only being reported where they are significant. The trust will ensure communication is clear on all levels and the organisational politics allow for transparency so that all risks can be easily reported by all stakeholders.

## 10 Risk Register

- 10.1 The risk register is central to risk monitoring. As risks are identified, they should be logged on the register and the associated control measures documented. A risk register should be a 'live document' and should be an on-going process. Risk registers come in various formats and no particular version is recommended. The following should be contained within the Risk Register:

**Risk category** – risk should be categorised under, for example, IT, finance, HR, premises to facilitate their effective management. Categorisation helps tease out other likely risks as well as potential duplication.

**Risk description** – a brief description of the potential risk, namely the event itself, for example “a cyber-attack on the Academy Trust's IT systems” and its consequences “pupils cannot access their saved work”.

**Business objective threatened** – a description of the relevant business objective that the risk would affect if it materialised.

The estimated **likelihood** that the risk will occur. This could be scored H/M/L or numerically.

The estimated **impact** of the risk if it materialised. This too should be scored or assessed.

**Inherent Risk** - this is the combined score of the estimated likelihood and impact, without control measures being implemented.

**Control measures** – which of the risk treatment option(s) (the T's) have been opted for and the rationale for the decision. Also, what the proposed actions are, including timescales for implementation and resources required.

**Residual Risk** – the risk that remains after control measures have been put in place. This is essentially a re-assessment of likelihood and impact assuming that control measures are in place. It is also known as the residual risk.

**Risk ranking** – this is the overall level of the residual risk, it reflects its position on the risk matrix and, if appropriate, its “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.

**Risk trigger** – what is the event that would trigger implementation of contingency plans?

**Contingency plan** – an action plan to address the risk if it does materialise and what plans are in place to mitigate the risk. It is a requirement of the AFH (part 2) that the trust's management of risks must include contingency and business continuity planning.

**Risk owner** – the person responsible for deciding whether the risk trigger needs to be activated and managing the control measures and contingency plans.

**Date of last review** – this is an indication of when the audit and risk committee or the board last reviewed the risk. It may be that the risk climate has changed, and the risk level is of a sufficient level that it can be retired from the register. A date supports regular monitoring of risk.

**Current status of risk** – this should include any comments that will support the review of the risk at the appropriate time.

**Risk retired date and rationale for retiring risk** – 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.

## **11 Monitoring arrangements**

The Headteacher and Audit and Risk Committee have joint responsibility for the Risk Register.

The Risk register will be reviewed **termly**. This policy will be reviewed **every three years**.