Risk Management Policy

Last review date	September 2018
Next Review date	September 2019
Review Cycle	Annually
Statutory Policy	Yes
Publication	Website. SharePoint/Policies

1. Purpose of this document

This risk management policy (the policy) forms part of the Trust's internal control and corporate governance arrangements.

The policy explains the Trust's underlying approach to risk management, documents the roles and responsibilities of the Board of Directors and the Members, and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures.

In addition, it describes the process the Board of Directors will use to evaluate the effectiveness of the Trust's internal control procedures.

2. Underlying approach to Risk Management

The following key principles outline the Trust's approach to risk management and internal control:

- The Board of Directors has responsibility for overseeing risk management within the multi academy trust as a whole.

- An open and receptive approach to solving risk problems is adopted by the Board of Directors.

- The Chief Executive Officer and Senior Leadership Team support, advise and implement policies approved by the Board of Directors.

- The Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks. Each paper to the Board of Directors is required to include a section on any key risks in relation to the proposal.

- Key risk indicators will be identified and closely monitored on a termly basis by the Board of Directors.

3. Role of the Board of Directors

The Board of Directors has a fundamental role to play in the management of risk. Its role is to:

a) Set the tone and influence the culture of risk management within the Trust. This includes:

- determining whether the Trust is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue;

- determining what types of risk are acceptable and which are not

- setting the standards and expectations of staff with respect to conduct and probity

b) Determine the appropriate risk appetite or level of exposure for the Trust.

c) Approve major decisions affecting the Trust's risk profile or exposure.

d) Monitor the management of significant risks to reduce the likelihood of unwelcome surprises.

e) Satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.

f) Annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

g) Review and evaluate the key risks identified by the Board.

h) Review the Trust's Risk Register on a termly basis.

i) Report annually on the Trust's systems of internal control and Risk Register.

j) Monitor the work of internal and external audit in respect of risk.

k) Develop and implement policies on risk management and internal control.

6. Risk Management as part of the system of internal control

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Trust to respond to a variety of operational, financial, and commercial risks. These elements include:

Policies and procedures

Attached to significant risks are a series of policies that underpin the internal control process. The policies are set by the Board and implemented and communicated by senior leaders to staff. Written procedures support the policies where appropriate.

Termly reporting

Termly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Board of Directors.

Business planning and budgeting

The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly.

High level risk framework (significant risks only)

This framework is compiled by the Board of Directors and helps to facilitate the identification, assessment and ongoing monitoring of risks significant to the Trust. The document is formally appraised annually by the Board of Directors but emerging risks are added as required, and improvement actions and risk indicators are monitored.

Risk Register

The document is formally appraised each term but emerging risks are added as required, and improvement actions and risk indicators are monitored regularly.

Internal audit programme

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the Trust.

External audit

External audit provides feedback to the Board of Directors on the operation of the internal financial controls reviewed as part of the annual audit.

Third party reports

From time to time, the use of external consultants will be necessary 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.

7. Annual Review of effectiveness

The Board of Directors is responsible for reviewing the effectiveness of internal control of the Trust.

For each significant risk identified, the Board of Directors will:

- Review the previous year and examine the Trust's track record on risk management and internal control.

- Consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.

In making its decision, the Board of Directors will consider the following aspects.

a) Control environment:

- the Trust's objectives and its financial and non-financial targets;

- organisational structure and calibre of the Members;

- culture, approach, and resources with respect to the management of risk

- delegation of authority;

- public reporting.

b) On-going identification and evaluation of significant risks:

- timely identification and assessment of significant risks;

- prioritisation of risks and the allocation of resources to address areas of high exposure.

c) Information and communication:

- quality and timeliness of information on significant risks;

- time it takes for control breakdowns to be recognised or new risks to be identified.

d) Monitoring and corrective action:

- ability of the Trust to learn from its problems;

- commitment and speed with which corrective actions are implemented.

- internal control/audit will be monitored termly by the Board of Directors.