RISK POLICY AND RISK MANAGEMENT PROCEDURES

Date	Page	Change	Purpose of Change
27/01/16		New Policy	

Introduction

Trust in Learning Academies' (TiLA) Risk Policy sets out the multi academy trust's approach to risk and its management together with the means for identifying, analysing and managing risk in order to minimise its frequency and impact upon our work.

The risks considered significant to the ability of TiLA to achieve its objectives are identified in a TiLA Risk Register and each school or academy within TiLA is required to incorporate these risks into their own risk management procedures. This will achieve commonality of practice from the Board to schools and allow Local Governing Bodies (LGB) to link their own work to that of the Trust and bring risks to the attention of the Board.

Risk is present throughout an organisation and the purpose of the TiLA Risk Policy is to develop a consistent approach towards risk across the Multi Academy Trust and outline the procedures that are required at all levels to minimise the frequency and effect of adverse incidents or events.

1.   Aims
- To outline the Trust's underlying approach to risk assurance
- To document the roles and responsibilities of the Board of Directors; the Local Governing Bodies and other key committees and individuals
- To outline key aspects of the risk management process
- To identify the main reporting procedures

2.   Scope
This policy applies to all TiLA schools or academies

3.   Approach to Risk Management
TiLA is defining risk in two ways: threat and opportunity:
- Threat: an uncertain event which if it was to occur would have a negative effect on the likelihood of the Trust achieving its objectives
- Opportunity: an uncertain event which if it was to occur would have a positive effect on the likelihood of the Trust achieving its objectives

Risks within TiLA and to our overall objectives will occur at two levels, which may overlap:
- Trust: risks that would affect the whole of the MAT
- School/Academy: risks that are predominantly related to the operation of a specific school or academy

The following key principles outline TiLA's approach to risk and its management:

- The Board of Directors has responsibility for overseeing risk management within the Trust as a whole
- In overall terms, TiLA is looking to achieve a balance of risk with net risk averaging out at medium
- The approach adopted to identifying and mitigating risk is an open one, receptive to input from LGB and staff at all levels
- The Chief Executive Officer (CEO) and the central team supports, advises and implements policies approved by the Board of Directors
- Significant risks will be identified and monitored on a regular basis
- Risks will be identified through the LGB's and its sub-committees together with the Board and its sub-committees
- TiLA will operate similar operating and reporting procedures across the Trust

4.   Roles and Responsibilities

The Board of Directors has responsibility for the oversight of the management of risk, part of which it may delegate to its sub-committees and its Local Governing Bodies.

This responsibility requires the Board of Directors to strategically manage risks by determining:

- Whether TiLA is risk taking or risk adverse as a whole or on any particular issue
- The risk appetite of TiLA
- What types of risk are acceptable and which are not
- The standards and expectations of staff with respect to conduct and probity in relation to risk management

The Board of Directors is also responsible for:

- Determining the appropriate level of risk for TiLA
- Taking decisions affecting TiLA's exposure to risk
- Monitoring the management of risk at the strategic risk level
- Assuring itself that risks identified strategically and at the school level are managed effectively and appropriate controls are in place
- Biannually review the Risk Policy

The CEO/Central Team is responsible for:

- Maintaining the Trust's Risk Register
- Implementing practices to manage and mitigate risks identified in the Trust's Risk Register – to include holding to account LGB practice/actions which are linked directly to the Trust's Risk Register
- Identification and evaluation of significant risks faced by the organisation for consideration by the Board of Directors
- Provide adequate information to the Board of Directors and its committees on the status of risks and controls
- Undertake an annual review of the effectiveness of the system of internal control and provide an annual report to both the Finance and Audit Committees
- The CEO has delegated day to day responsibility for risk management to the Director of Finance and Operations

The Local Governing Body is responsible for:
- Fulfilling their delegated responsibility for risk management as indicated in this policy
- Adopting Risk Register procedures and reporting that is outlined in this policy
- The identification, evaluation and control of school/academy risks using the reporting framework that is included within this policy
- Consideration of the link between school/academy risk and those Trust risks identified at Board level
- Ensuring that risk management and understanding forms an integral part of the work of the LGB to include committee work where appropriate
- Liaising with the CEO/Central Team in relation to school risk management – ensuring that significant risks are identified, appropriate controls put in place and that these are communicated to the CEO/Central Team

5. Risk Management

Risk management involves determining the acceptable level of exposure to risk which enables TiLA to achieve its objectives whilst achieving a balance between the level of risk exposure and the cost of mitigating actions.

Risk management is a process which provides assurance that:
1. TiLA's objectives at all levels are more likely to be achieved
2. Damaging events are less likely to occur
3. Beneficial events are more likely to occur

6. Reporting Framework

TiLA will use a consistent format for the Risk Register (see Appendix 1).

Risks to will be categorised as preventable, strategic or external. The category of risk will assist in determining the appropriate method of managing the risk:

1. Preventable risks represent the majority of risks faced by the Trust; they originate internally from failure to ensure or prevent particular behaviours. There is rarely, if ever, a benefit to the Trust or its individual schools of tolerating a preventable risk. Preventable risks should be mitigated against using a rules or process approach to promote or prohibit behaviours. Failure to manage these risks might feasibly lead to loss of reputation or even prosecution. Examples of preventable risk include fraud, failure to follow statutory requirements.

2. Strategic risks are more acceptable and recognise that pursuing one strategic direction over another incurs risks (including opportunity risks). These risks should be managed through reducing the probability of the risk materialising or managing or containing the impact should it occur. In order to test the assumptions they require greater levels of discussion and challenge than preventable risks.

3. External risks may be foreseeable by the Trust, but are outside of its control. These risks should be managed though identifying and assessing the foreseeable risks and planning how the impact could be mitigated should they occur. They can be difficult to spot and encompass natural or economic disasters, political or environmental changes or strong moves by competitor organisations/trusts.

Risks will be assessed using two elements: impact of the risk occurring and the probability of occurrence. Each element will be assessed on a five point scale. The impact of the risk and the probability of the risk occurring will be determined using the following matrix:

Impact	Description	Probability	Description
1	Implications of the risk are **very low** and are comfortably within the ability of the Trust/School to manage locally	1	Highly unlikely to occur (< 20% probability)
2	Implications of the risk are **low.** Risk occurring may detract slightly from the desired quality of the outcomes	2	Unlikely to occur (20% - <40% probability)
3	Implications of the risk are **medium.** Risk occurring would detract from the desired quality of the outcomes but not detract from the overall objectives of TiLA	3	Likely to occur (40% - <60% probability)
4	The impact is **high**. Risk occurring would significantly detract from the desired quality of the outcomes	4	Very likely to occur (60% - <80% probability)
5	The impact is **critical**. Risk occurring would reduce the quality of the desired outcomes to such an extent that it would threaten the objectives of TiLA	5	Extremely likely to occur (> 80% probability)

Risks will be scored before and after mitigating actions and at each point of scoring the total risk will be the multiple of the two elemental scores:

	Impact				
Probability	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

The **Risk Register** will include:

Risk category:	P = Preventable; S = Strategic or E = External
Risk Description and Impact:	A brief description of the risk and its possible impact on TiLA/School
Risk owner:	As identified on the Trust's Risk Register
Pre-mitigation Probability:	The likelihood of the risk happening
Pre-mitigation Impact:	The possible effect upon TiLA/school
Pre-mitigation Rating:	The multiple of the two previous scores
Mitigation Strategy:	This is a list of activities completed and controls put in place to mitigate the risk. Not a wish list of activity to be done in the future
Post-mitigation Probability:	The likelihood of the risk happening following mitigation
Post-mitigation Impact:	The possible effect upon TiLA/school following mitigation
Date raised:	The date the risk was introduced
Raised by:	The person who introduced the risk
Next Review Date:	The date when this risk will be reviewed?
Status:	All risks will be either open (current) or closed (ones deemed to have been alleviated)
Date closed:	When the status of the risk changed from open to closed

7.   Risk and Internal Control and Processes

Risk management is addressed on a TiLA wide basis, but individual schools/academies have an essential role in the identification, assessment, on-going monitoring and mitigation of risks; ones which are contextual to that school or academy or related to the overall objectives of TiLA or both.

The LGB and/or its committees fulfil an internal control function in relation to risk management by identifying their school/academies risks and adopting mitigating actions and to align its risk

management with those TiLA wide objectives. For example, LGB will establish a Development or Improvement Plan with specific objectives for a period. This planning will take into account the overarching objectives and principals of TiLA and where certain objectives remain a challenge or are not being achieved then they will become an identified risk to both the school and TiLA. The LGB will raise these in their own Risk Register and it will also contribute to the overarching risk register of the Board.

The Trust's Risk Register is compiled by the CEO and the Central Team and this will be discussed and considered at:

- The Quality Standards Committee
- The Finance and Operations Committee and
- At the Board of Directors Meetings

Emerging risks are added as required, and improvement actions and risk indicators are monitored on an ongoing basis through line management structures.

TiLA's Finance and Operations Committee will be responsible for monitoring the management of the most significant risks to TiLA as recorded in the Trust's Risk Register. They will be supported in this task by the Audit Committee who will be part of the annual review of this policy and its associated practice.

The annual review will consider the on-going identification and evaluation of significant risks and will be aided in this task by the CEO/Central Team who will prepare a report on TiLA's risk management procedures and practices and their effectiveness.
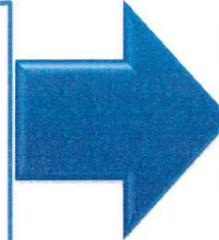
The following appendices support this policy. Appendix 1 is the Trust Risk Register Flowchart and Appendix 2 is a Risk Register exemplar.

Trust Risk Register Flow Chart

Board set Trust Objectives

Stage 1

Individual Academies collate risks from all areas
Identify all risks: -
Academic
Financial
Health and Safety
...... etc.

Individual Academies
Identify risks aligned to Strategic Objectives headings and determine mitigation steps.

Stage 2

TiLA Executive Team
Update risks under the Strategic Objectives including pre and post mitigation scores. Assess the mitigation steps.

Individual Academies SLT
Identify risks aligned to Strategic Objectives headings and determine mitigation steps.

Stage 3

Board Committees
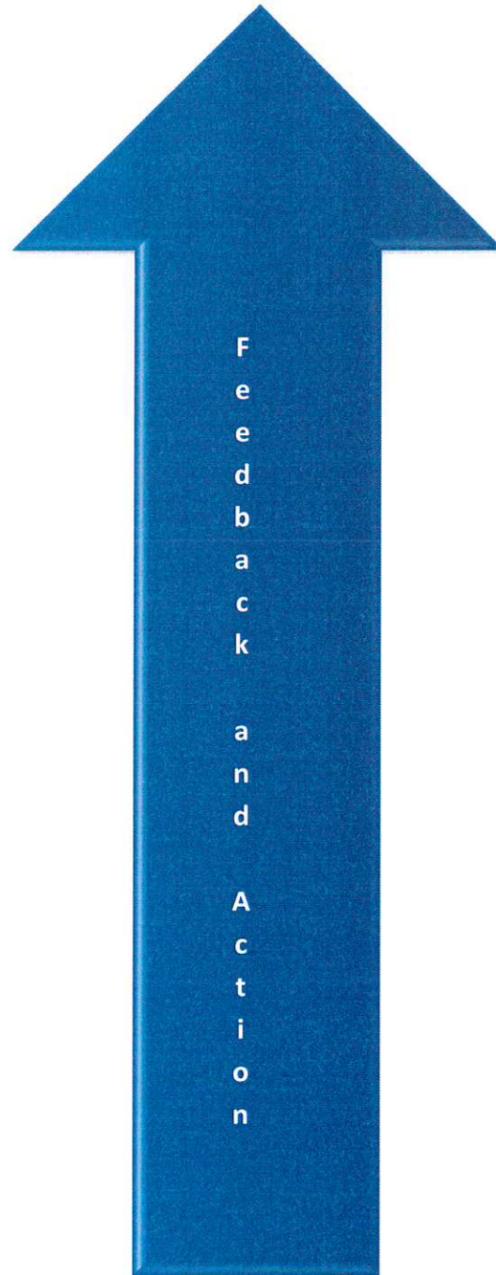Review risks and determine any additional steps or additional resources

Governing Bodies
Review risks and determine any additional steps or additional resources

Stage 4

Board
Board are presented with Risk Register

Stage 5

Feedback and Action

Risk Register is reviewed, monitored and feedback made to the relevant committee

Effectiveness of Risk Register is reviewed annually by Finance and Audit Committee

Trust in Learning Academies - Risk Register 2015/2016

ID	Risk to/from...	Risk Category	Description and Impact	Owner	Pre Mitigation Analysis			Mitigation Strategy	Post Mitigation Analysis			Date Raised	Raised By	Next Rev. Date	Status	Date Closed
					Probable	Impact	Rating		Probable	Impact	Rating					
1	Example	Either Strategic/ Preventable or External	Insert in here a description of the risk and the impact it would have on TiLA/schools					This is a list of activities completed and controls put in place to mitigate the identified risk. This should not be a wish list of things to be done in the future								
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