



# Risk Management Policy & Strategy

<b>Approved by:</b>	FINANCE, AUDIT & RISK COMMITTEE	<b>Date:</b> 6 <sup>th</sup> July 2020
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## **Risk Management Policy**

### **Purpose of the Policy**

1. Risk management is an essential part of governance and leadership and an integral part of business planning and decision-making processes. It involves the identification, measurement, management, monitoring and reporting of threats to an academy trust's business objectives.
2. Taking risk management seriously is a priority for Greensand Multi-Academy Trust (the Trust). The Risk Management Policy forms part of the Trust's internal control and corporate governance arrangements. It is designed to provide assurance that the Trust has adopted best practice in this area, as advocated by the Turnbull Report on internal control of companies and in other parts of the education and voluntary sectors.
3. Through effective management of risk, this informs the Trust's business decisions, enables a more effective use of resources, enhances strategic and business planning and strengthens contingency planning.
4. The Policy explains the Trust's underlying approach to risk management.
5. The Policy should be read in conjunction with the Trust's Risk Management Strategy, which forms part of this document and which sets out the framework the Trust has adopted for risk management.

### **Aims and underlying approach to risk management**

Risk management can be considered in terms of the ICAEW (Institute of Chartered Accountants in England & Wales) four lines of defence model which is a concept for helping to identify and understand the different contributions various sources can provide:

- **1st line of defence** – management and staff who own and manage risk on a day-to-day basis.
- **2nd line of defence** – the board who oversee the effectiveness of the risk management framework.
- **3rd line of defence** - the internal scrutiny function who provide independent assurance on the overall effectiveness of risk management and controls.
- **4th line of defence** - assurance from external independent bodies such as the external auditors and other external bodies.

The Trust has a Risk Management Strategy which aims to:

1. Identify and evaluate risks which could prevent the Trust from achieving one or more of its strategic aims and objectives and delivering targets or make their achievement substantially more difficult;

2. Assess the likelihood of such risks occurring and the potential impact of such occurrences with particular reference to the areas of finance, safeguarding, reputation and planning/operations;
3. Enable decisions to be taken on how much risk to accept, the actions/controls applied to avoid or mitigate the likelihood of such circumstances arising, to transfer risk or insure against the consequences and assign responsibility for implementation;
4. Ensure that risks are being addressed appropriately through internal scrutiny;
5. Assess the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.

All Trust schools use Every software to record and update the school risk registers. The Executive team prepares the risk register for central operations and activities. The FOD has access to all risk registers within the Trust

The following key principles outline the Trust's approach to risk management and internal control in pursuing the aims set out above:

1. The Trust Board of the Greensand Multi-Academy Trust (the Trust Board) is accountable for risk management within the Trust as a whole and, in accordance with the Academy Trust Handbook, have appointed a Finance, Audit and Risk Committee (the FAR Committee) responsible for overseeing this area;
2. The Trust Board aims to ensure that its Risk Management Policy and Strategy is fully embedded across the Trust, in both day-to-day operations and governance, with an open and receptive approach to solving risk problems adopted by the Trust and conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;
3. Risk registers are maintained at both individual school level and at Trust level using a weighted scoring for all identified risks;
4. Key risk indicators are identified and closely monitored on a regular basis at school level.

Regular reporting and review includes at a minimum:

- a. Headteachers & the School Committees of the Trust's member schools review their individual school Risk Register and Action Plan on a termly basis.
- b. School level registers are reported up to Trust level and the Trust-wide Central Risk Register updated accordingly on a termly basis and reviewed by the Trust Executive Team.
- c. Risk is a standing agenda item of the FAR Committee who undertake a full annual review of all school level risk registers and the Central Risk Register.

- d. Annual review of the Trust's Central Risk Register is a standing item on the Trust Board's agenda in accordance with the requirements of the current Academy Trust Handbook (also known as the Academies Financial Handbook).

## **Risk Management Strategy**

### **1.0 Introduction**

- 1.1 Risk management is the process whereby the Trust methodically addresses the risks attaching to its objectives and associated activities with the goal of achieving sustained benefit within each activity and across the whole range of activities.
- 1.2 Risk management will be aimed at ensuring that the Trust, and the schools within the Trust, achieve their objectives in the most effective way and the resources are directed at those objectives. It will not be seen as a separate exercise, but as the means of best achieving the Trust's objectives.
- 1.3 This Risk Management Strategy sets a framework for the management of risks, including the Trust's risk appetite, the processes for identifying, categorising, measuring and the strategy for treating risks. It also identifies roles and responsibilities of the Trust and its member schools in the management of those risks, including monitoring, reporting & review procedures.
- 1.4 It has been designed for use by all staff of the Trust and it serves to:
  - Communicate the strategies for managing risk in the Trust;
  - Establish procedures which should be adopted in the risk management process.

### **2.0 The Aims and Objectives of Risk Management**

- 2.1 The Trust's overall risk management plan is aimed at:
  - Protecting its children, staff and assets;
  - Managing risk in accordance with best practice and reducing the cost of risk;
  - Anticipating and responding to changing social, environmental and legislative requirements;
  - Raising awareness of the need for risk management;
  - Integrating risk management into the culture of the Trust;
  - Adopting legal compliance as a minimum standard.
- 2.2 These aims and objectives will be achieved by:
  - Establishing and maintaining a risk management organisational structure to act in an advisory and guiding capacity which is accessible to all staff;
  - Maintaining documented procedures for the control of risk;
  - Providing suitable information, training and supervision to staff;
  - Maintaining effective communication and the active involvement of all staff;