RISK MANAGEMENT POLICY

HORIZONS EDUCATION TRUST
AMERICAN LANE, HUNTINGDON, CAMBRIDGESHIRE. PE29 1TQ

DOCUMENT CONTROL		
ISSUED	CHANGES FROM PREVIOUS VERSION	
Date reviewed: April 2024 Date of next review: Reviewer: KT Date of ratification by Governing Board:	**"School" changed to "Academy" throughout; KT**	

Risk Management Policy

1. Introduction to our risk management

Horizons Education Trust and our schools accept that to deliver high quality services that risk management is an essential part of governance and leadership and out business planning and decision - making processes.

Academy Trust risk management - May 2024 enables us to view risk management using the ICAEW four lines of defence and within our trust this means:

1st line of defence – Staff and managers who own and manage risk on a day-to-day basis. In our central team and our Academies', the trust has Risk Owners who manage risk on a day- to-day basis as part of their job role.
2nd line of defence – Our Trust Board oversees the effectiveness of the risk management framework for the Trust.
3rd line of defence – Our internal scrutiny who provide independent assurance for each school on the overall effectiveness of risk management and controls.
4th line of defence - - our Trust will seek assurance from external and independent bodies such as external auditors and other external bodies.

Requirement of Academy Trust handbook for risk management for academy trusts:

- We fulfil the requirement to manage risks and ensure effective operation and maintain a risk register.
- Our Trust management of risks includes contingency and business contingency planning.

2. Our purpose of risk management for our Trust and schools:

- Identification of risk
- Measurement of risks
- Management of risks
- Monitoring and reporting threats to the trust business objectives:

Such threats could include litigation, financial uncertainty, GDPR risks, property risks including risk of fire, flood, natural disasters including pandemic, results of injury
School leaders identify risks and implement appropriate mitigation control measures in their day-to-day operation of schools. Lessons learnt from the management of risks strengthen the trust as an organisation to deliver quality services and enable leaders to inform business decisions and direction of resources for the benefit of the Trust objects as a trust for the educational benefit of pupils and delivery of education services in the local community. Our operation of risk management seeks to create experience between school leaders to plan at a strategic and contingency level to ensure consistency of service delivery and good reputation in the community as quality provider of education services.

3. Our risk management strategy

Our strategy is to provide a framework for managing the risks that faced by the Trust and its schools and ensuring its objectives are achieved in the most effective way. It has been designed for use by all staff of the Trust and its schools and it serves to:
- Develop clear communication and training of strategies for managing risk in the Trust and its schools
- Establish procedures that are standardised and adopted in the risk management process in all schools and the work of the trust.
- Measure risks for likelihood (or probability) and for impact (Severity) if the risk did occur.
- Risks can be evaluated as H/H, H/M and L/M and numerical score 1 – 5 with low being 1 x1 and highest being 5.
- Can combine scores for likelihood and impact for Trustees to know level of threat.

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For example: very high likelihood x very high impact 5x5 and maximum of 25 on the risk matrix incorporated into the Trust risk register.

- Ranking scores will enable Trustees to be informed of the highest threats and focus discussion appropriately.
- Trustees will also be alerted to Risk capacity which are the resources used to manage risks and once the Trustees tolerance of risk is established and capacity the Trust will follow what is known as the 4 T's:

Tolerate risk – accept or retain
Transfer risk – to contract out or insure
Treat risk – to control or reduce
Terminate risk – to avoid or eliminate

- Trustees will identify risks that have retired and date and rationale for retiring a risk. This will enable these retired risks to be archived and hidden from view in the live document for the Trust.
- A software package for the Trust is an ultimate aim when this becomes affordable for the Trust to collate and maintain a live risk register for the Trust with a number of schools ahead.

4. The Aims of Risk Management

Our overall risk management plan is aimed at:
- Protecting its students, staff and assets
- Managing risk in accordance with best practice
- reducing the cost of risk
- Anticipating and responding to changing social, environmental and legislative requirements
- Creating a risk management into the culture of the Trust and its schools
- Adopting legal compliance
- Creating quality practice standards and expectation of requirements of these standards.

These aims and objectives for the trust will be achieved by:

- Establishing and maintaining a risk management organisational structure of risk owners and responsibilities of staff which is accessible to all staff in the trust.
- Maintaining documented procedures for the control of risk
- Providing suitable information, training and supervision
- Maintaining effective communication and the active involvement of all staff
- Maintaining an appropriate incident reporting and recording system, with investigation procedures to establish cause and prevent recurrence and decision about risks to avoid or eliminate.
- Monitoring arrangements on an ongoing basis with the Executive Head / CEO who can report risks to the Trustee Board.

5. The Structure and Administration of Risk Management

The Trust has a fundamental role to:
- Set the tone and influence the culture of risk management appetite within the Trust and its Academies.
- Determine the appropriate level of exposure for the Trust of risks
- Approve major decisions affecting the Trust's risk profile or exposure
- Set policy and strategy for risk management
- Monitor the management of significant risks to reduce the likelihood of unwelcome surprises or impact

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- Satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively
- Annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

The CEO shall:

- Support and implement the Risk Management Policy approved by the Trust
- Establish risk owners and structures for individual Academies to manage and mitigate risks.
- Develop risk response processes, including contingency and business continuity programmes to escalate risk appropriately to the CEO of the Trust.
- Provide and updated Risk Management report and risks to the Trust Board and FPP as part of Audit and Risk as Accounting Office. This summary will focus upon the status of risks and controls that include the management of red or emerging red risks.
- Job role will focus upon co-ordination of risk management activities throughout the Trust as required with the assistance of the Trust central team.
- Job role will raise the level of management awareness and accountability for the business risks experienced by the Trust and its Academies.
- Job role will ensure Head Teachers and the central team can develop risk management as part of the culture of the Trust and its Academies.
- Provide a rapid mechanism to escalate risk management issues to be discussed and disseminated across the Trust and the Board with updates as required.

6. Risk Identification

6.1 The CEO with the support of Head Teachers and the central team will review partnerships with third party organisations to ensure these organisations do not provide contingent risk to prevent the trust being as successful to achieve objectives for quality education and service delivery.

6.2 The first step in the risk identification process is to enable all staff with responsibility for delivering operations to understand the Trust's corporate objectives and the legal and regulatory environment in which it operates.

6.3 The second step is the translation of these objectives into operating aims in the form of appropriate operational plans and performance indicators for each area of activity. This should be an ongoing annual exercise with regular updating of the aims.

6.4 The next step is to identify what would stop each area being as successful.

6.5 Risks will be grouped into the following categories.
Each category will be managed by a risk owner, responsible for overseeing the relevant section of the Risk Register and ensuring that it is appropriately updated for reporting to FPP and the Trust Board as part of Risk and Audit Committee function of FPP.
The CEO will also help individual Academies and their Local Governing Bodies to construct the risk owner process and the central team will provide support to ensure that risk owners can update the relevant section of the Risk Register with support from the Trust, Operations Manager.
The risks that have been identified should be recorded on the risk management template and updated to the register for each Academy and the CEO assisted by the central team will collate, as necessary, the main high, very high -level risks into the overall Trust risk register.

Risk Estimation (Assessing Likelihood and Impact) – Guidelines

6.6 Having identified the main risks that the Trust is facing, they need to be prioritised so that action can be focused on the significant risks by Trustees.
Risk prioritisation will enable necessary action to be taken at the relevant level of management in the Trust and its Academies. Risk is best managed as close to the risk as is possible.

6.7 Each risk should be assessed in terms of the likelihood of its occurrence, and its impact

on the Trust, should it occur.

6.8 Not all risks will affect the Trust with the same impact, and some are far more likely to occur within the Trust and its sc than others.

6.9 The impact of a risk and the likelihood of it occurring should be scored as follows:

Probability Description Definition:

Very High (5) Risk is extremely likely to occur

High (4) Risk is likely to occur

Medium (3) Risk may occur (but is not inevitable)

Low (2) Risk is unlikely to occur

Very (1) Low Risk is very unlikely to occur (i.e., will only occur in exceptional circumstances)

Impact Description Definition

Very High (5) Risk resulting in – Extensive permanent or long-term injuries/sickness, loss of life, long or medium interruption to school activities, adverse national publicity, negative consequences for most pupils, staff or parents, litigation almost certain and may be difficult to defend, material financial loss, breaches of law or issues considered concern by ESFA.

High (4) significant impact that would not affect continued operations in the short term but might do so in the long term.

Medium (3) Risks resulting in – Medical treatment required, short term interruption to school activities, negative consequences for many pupils, staff or parents, litigation to be expected, significant financial loss, breaches of law punishable by fines or issues considered important by Ofsted Inspectors, breaches of national or professional regulations/standards.

Low (2) Risks resulting in – No injuries beyond 'first aid' level, minor or no significant disruption to school activities, difficult to handle local press interest, negative effects on a few pupils, staff or parents only, unlikely to cause complaint/litigation, negligible financial loss, breaches of local procedures/standards.

Very low (1) Limited impact in any substantial way. Not critical to continued operations

8.0 Risk Prioritisation

8.1 Risks should be prioritised as follows: Risk Score (Likelihood score multiplied by impact score)

Prioritisation Rag Rating Action

1 to 6 Low Green Keep under review

8 to 12 Medium Amber Consider action or contingency plan

Note: 15+ score is High Red Immediate action and report to Trustees.

9.0 Risk Mitigation

9.1 Once risks have been identified and prioritised, it must be decided how the Trust will address them.

9.2 As the first step, the 'cost' of accepting the risk should be assessed. This may be a financial cost or a lost opportunity. It may be decided that accepting a particular risk is appropriate and no further action is required except recording that decision as a risk owner.

9.3 If further action is needed then there are three main options:

• avoid the risk

• transfer all or part of the risk

• mitigate the risk

9.4 A risk may be avoided by withdrawing from that area of activity but doing so may result in a missed opportunity in the longer term and may create issues for the school to manage separately.

9.5 A risk may be transferred wholly or in part to a third party, possibly through insurance with RPA or a partnership arrangement.

9.6 In the majority of cases, the next step will be for the risk owner to put in place a system to mitigate either the likelihood or the impact of the risk. These may include systems addressing the whole operation of the Trust as well as the areas where risks have

been identified.
 Any system of risk mitigation should provide as a minimum:
- Effective and efficient operation of the Trust and its Academies
- Effective internal controls
- Compliance with law and legislation

Mitigating actions should be recorded against each risk that has been listed in the risk register with appropriate time scales. Once expired this risk with be removed from view from the live document.
A residual risk score can also be calculated to confirm the significance of the risk once mitigating actions have taken place. This means the risk owner re- calculates the score of likelihood x impact.

10. Risk Monitoring
 10.1 The likelihood or impact of an identified risk can change for a number of reasons including:
- Nature of the risk has changed or is changing
- Existing controls are inadequate or not functioning
- New controls are introduced

10.2 **Early warning indicators** should be designed for each risk to alert the Trust and its Academies to the situation effectively. These should have triggers, be described in the register and be highlighted to the Trust.
Key characteristics of monitoring mechanisms are:
- Information must reach the level of leadership and oversight where decisions can be made
- The system picks up the problem before it happens, or at least before it gets too serious

10.3 Individual school / services should:
- Review with appropriate regularity the risks which fall into their area of responsibility, the possible impacts these have on other areas and the consequences other areas may have on them
- Use performance indicators to monitor the key business and financial activities, progress towards objectives and identify developments which require intervention
- Have systems which communicate variances in budgets and forecasts to allow action to be taken
- Report systematically and promptly to the CEO any perceived new risk or failures of existing mitigating or control measures

10.4 The Chief Executive Officer (CEO) should:
- Ensure that the Trust Risk Register is updated in the light of developments within the Trust, its schools and the wider educational and policy and report as standing item to the Trust Board.

10.5 The Risk owners should:
- Review the Trust Risk Register with appropriate regularity
- Review key performance indicators and progress towards objectives
- Take necessary action to address adverse departures for objectives
- Provide adequate information to the Trust's Audit and Risk Committee on the most significant risks.

10.6 The FPP and Audit and Risk should:
- Review the Trust Risk Register and Risk Reduction Plan
- Provide ongoing advice on the effectiveness of the risk management process
- Interrogate particular risks and the proposed actions to mitigate them as appropriate

11.0 Risk Reporting - Different levels within the Trust and its schools

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Early warning indicators should be reported systematically and promptly to Head Teacher and CEO by risk owners to allow action to be taken. The frequency of reporting should be related to how quickly a risk is known and its likely impact.

Staff should:

- Understand their accountability for individual risks within their job role.
- Understand that risk management and risk awareness are a key part of the Trust's culture.
- Understand how they can improve their risk management response
- Report systematically and promptly to Head Teacher / CEO of any perceived new risks or failures of existing control measures. Be aware of the whistle blowing procedures that can be followed if there is inaction by Head Teacher to escalate to CEO or if that line of support is exhausted first.

The Trust's Audit and Risk should:

- Report annually on the effectiveness of the risk management process in the Trust in FPP minutes.
- Report to each Trust Board meeting any developments in risks to the Trust and actions suggested and taken related to these risks.

12.0 Risk Register

12.1 The Risk Register is the document that collates the identified risks, their 'score' and Rag Rating, and the identified required actions in order to deal with the identified risks.

12.2 A Risk Register needs to exist at both individual school and at whole-Trust level. The aim is for these documents to be as concise as possible while covering key identified risks. The Trust records will refer to the most significant risks in day-to-day operation of schools and services that are identified across the Trust.

13.0 The Structure of the Risk Register will follow the template in Appendix 1:

(See overleaf.)

Risk Management Policy

Policy agreed on: MAY 2024

Signed on behalf of the Trustees KIM TAYLOR

Committee: FULL BOARD

Author:

Review date (optional):

Website Y/N

Risk Log Identifiers:
1. Safeguarding and Child Protection Compliance
2. Brand / Values and Reputation
3. People and Succession Planning
4. Strategic Business Decisions
5. Audit and Financial Controls
6. Regulation and Compliance

Risk and ref number	Control Owner(S)	Risk Tolerance Grid					4 T's				Information	
		Very Low	Low	Med	High	Very High	Tolerate	Treat	Transfer	Terminate		

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