



RISK MANAGEMENT POLICY

Version 2.4.4

<p>Important: This document can only be considered valid when viewed on the Trust website. If this document has been printed or saved to another location, you must check that the version number on your copy matches that of the document online.</p> <p>Author:</p>	<p>Assistant Director of Estates and Facilities</p>
<p>Name of Responsible Committee/Individual:</p>	<p>Audit & Risk Committee Trust Board Executive Management Team Associated Management Team School Senior Leadership Team</p>
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Policy Statement

We are here to make great schools and happier, stronger communities so that people have better lives.

We do this by advancing high-quality inclusive education that values all young people equally, through:

- Ensuring all schools in the TEAL family are successful and all our young people thrive.
- Developing the next generation of great teachers and leaders.
- Connecting with civic leaders and influencing the system so that it becomes fairer and more inclusive, sustainable and ethical.

We will always:

- Do what is right.
- Stand shoulder to shoulder.
- Focus on quality in everything we do.

The Risk Management Policy forms part of The Education Alliance's internal control and governance arrangements and defines the Trust's underlying approach to risk management.

This policy sets out the key aspects of the risk management process, and identifies the main reporting procedures, however risk is assessed as part of all key decision making and policy setting processes.

1. Purpose and Scope

The Risk Management Policy aims to:

- Ensure The Education Alliance complies with risk management best practice.
- Establish one common risk matrix and process for The Education Alliance enabling the Trust to objectively identify, assess, and document risks and then prioritise risk mitigation actions.
- Provide the ability to objectively cross correlate risks from varying sources.
- Outline the roles and responsibilities for risk management.
- Identify risk management processes to ensure that all risks are appropriately identified, controlled, and monitored.
- Ensure appropriate levels of awareness throughout the Trust and provide assurance to the Executive Board, Audit & Risk Committee, Trust Board and Local Governing Bodies that risks are being adequately controlled or identify areas for improvement.

This policy applies to all staff, volunteers and officers employed or otherwise engaged by The Education Alliance.

This policy is based on the statutory and non-statutory guidance from the Department for Education contained in the Academy Trust Handbook.

2. Roles and Responsibilities

The Trust Board have a legal obligation to ensure risks within the organisation are appropriately managed. The obligations as noted in the Academy Trust Handbook (ATH) 2023 are:

- Appoint an Audit and Risk Committee (ARC)
- Have sound internal control, risk management and assurance processes

- Manage risks, including contingency and business continuity planning and maintain a risk register
- Retain oversight of risk and conduct a full review of the risk register at least annually
- Have adequate insurance or be a member of the DfE's RPA
- Check financial and non-financial controls and risks
- Provide internal scrutiny report to the ARC
- Confirm in the governance statement in the audited accounts which internal scrutiny option has been applied and why
- Be aware of the risk of fraud, theft and irregularity and address with proportionate controls and appropriate action
- Be aware of the risk of cybercrime and put in place proportionate controls and appropriate action where a cyber security incident has occurred.

Per the ATH the Audit and Risk Committee's responsibilities are to:

- Oversee and approve the Trust's programme of internal scrutiny
- Ensure that risks are being properly addressed
- Monitor and report to the Trust Board on the effectiveness of the Trust's risk management systems, internal control framework, including financial and non-financial controls and management of risks.

In addition to the above a more detailed list of the responsibilities and delegations of the Audit & Risk Committed are included within the Terms of Reference of that Committee contained within the Trust's Governance Framework, which is included on the Trust's website.

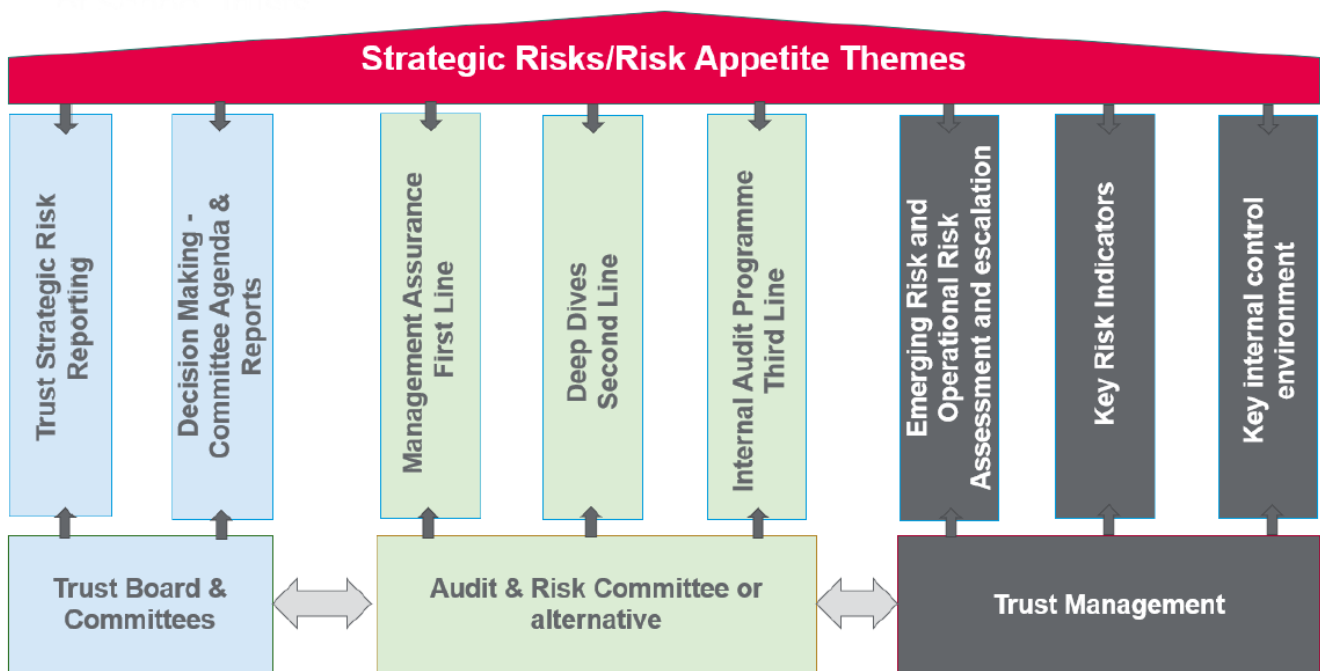
Trust Management, made up of the Executive Board and the Associate Senior Leadership Team (ASLT), are responsible for strategic and operational risk management at a Trust level and for reviewing the Risk Management of Schools.

The School Senior Leadership Teams (SLT's) have responsibility for strategic and operational risk management at a school level which will include carrying out day to day risk management, assessing operational risks, identifying and reporting risks to the Executive Board or ASLT.

Within the Trust Management, the Assistant Director of Facilities and Estates, supported by the Director of Finance & Estates has lead responsibility for risk management processes and the Trust-wide Risk Register. This responsibility includes:

- Monitoring the performance of risk management processes.
- Managing the Trust's Risk Register and collating the risks raised at relevant meetings (Exec Board meetings) and by the schools.
- Ensuring the owners of each risk have the appropriate controls in place to manage the identified risks.

All Staff, regardless of employment status, are expected to co-operate with the Trust Management and Schools Senior Leadership Team on all aspects of risk management.



3. The Risk Management Cycle

There are 5 steps that the Trust will take as part of their Risk Management cycle, these are as follows:

1. Identify the risk
2. Assess the impact of the risk using quantitative and qualitative data and considering the probability of the risk occurring and the possible impact it would have if it did occur.
3. Define the treatment and strategy taken to avoid the risk and/or mitigate the adverse affects. Also designate the person responsible for the risk within the Trust.
4. Monitor the risk and track the treatments are in place and appropriate. Also at this point reevaluate the measures previously taken to check if the controls used are accurate and relevant or should be revised.
5. Report the results.

The risk management cycle is captured in appendix 1 and its steps captured in more detail below:

3.1. Identification of Risks

Risk is an uncertain event or condition that, if it occurs, has a negative impact on the Trust. Each risk has a cause, which is why something could go wrong, and an effect, which is what will happen if the risk occurs.

The Trust identifies risks into key themes as follows:

- 1 People (staff, HR and wellbeing)
- 2 Safeguarding
- 3 IT and Information
- 4 Estates and Health & Safety
- 5 Quality of outcomes
- 6 Governance
- 7 Finance
- 8 Trust Strategic

The structure and organisation of the Trust's Risk Register seeks to ensure that all significant objectives and activities have been identified and the risks associated with each theme have been identified.

3.2. Assessing and Ranking Risks

Risks will be assessed by two factors, the likelihood of the risk occurring and the impact the risk will have if it occurs. Both of these are assessed using a simple 5 point scale as detailed in the matrix in appendix 2

Once the assessment for likelihood and impact have taken place they will be combined into a simple risk score. The Trust use the non-multiplication scoring method as detailed in appendix 3.

3.3. Treatment and Control Strategy

The Trust will consider the '4 Ts' when deciding the appropriate risk treatment option(s), balancing the potential benefits from the achievement of objectives against the costs, efforts, or disadvantages of proposed actions.

- 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
- 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
- Transferring risk may involve the use of insurance or payment to third parties willing to take on the risk themselves (for instance, through outsourcing)
- 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 will 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 will not be performing at all

The Trust will also list the controls it has in place in order to reduce the risks likelihood or impact.

3.4. Monitoring of Risk

Monitoring is ongoing and continuous, as this supports the Trust's understanding of whether and how the risk profile is changing. Monitoring also provides assurance on the extent to which the mitigating actions and controls are operating as intended and whether risks are being managed to an acceptable level.

The risk register is central to risk monitoring. As risks are identified, they will be logged on the register and the associated control measures documented.

Section 2 above lists the roles and responsibilities regarding risk management and it is the Assistant Director of Estates that manages the Trust's Risk Register and collates the risks raised.

3.5. Reporting of Risk

An example the layout of an individual risk in the Risk Register is contained in appendix 4. The individual residual risk scores will be plotted on a boston square matrix as shown in appendix 3. The Audit & Risk Committee and The Trust Board will use this matrix in order to ascertain which risks they will review/focus on in more detail.

Risk will be discussed and monitored on an ongoing basis with the Risk Register being formally reviewed at least termly by the Executive Board and/or Associate Senior Leadership Team before being presented to the Audit & Risk Committee at least bi-annually.

The Trust Board will review the risk register at least annually, as required by the Academy Trust Handbook.

4. Risk Appetite

The Trust Board will keep the Trust's risk appetite under review and consider the ongoing appropriateness of the risk management policy. In the event of unforeseen circumstances, the board will consider the extent to which the risk was identified and measured and whether the selected control measure was appropriate.

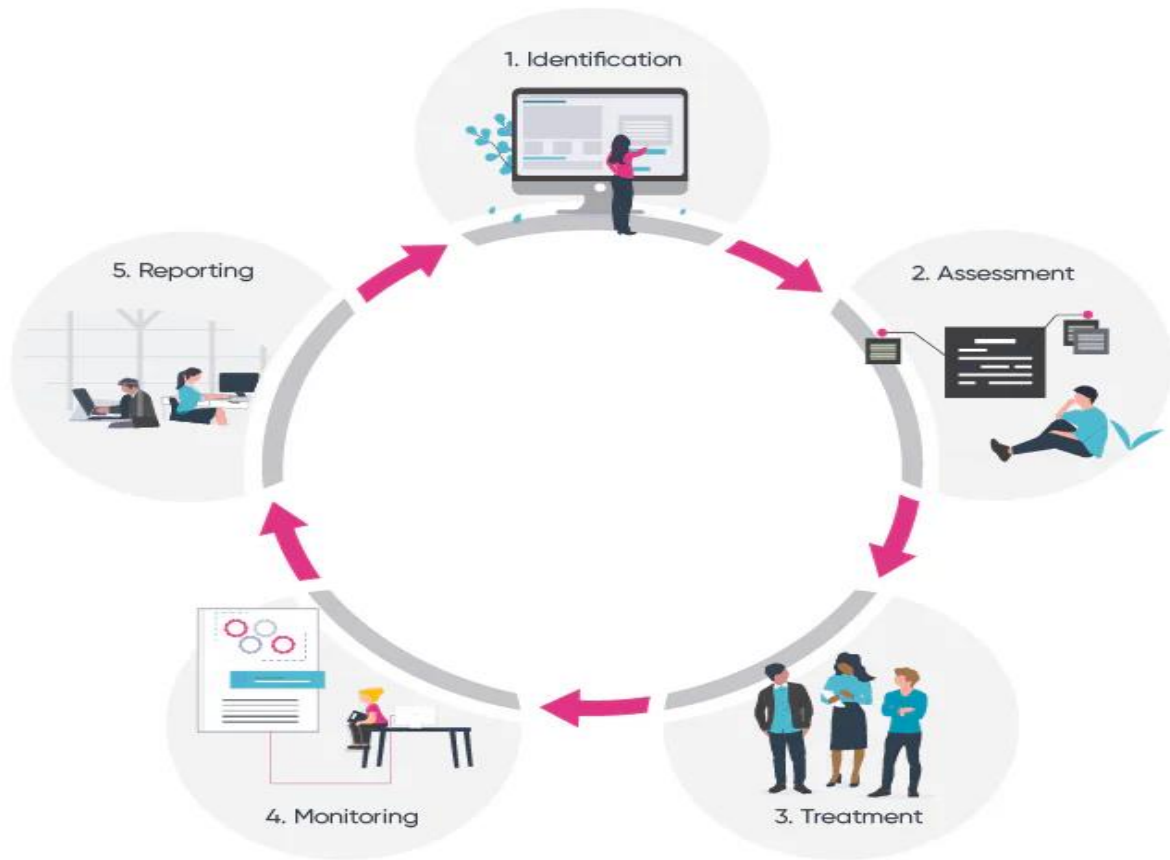
The risk register will facilitate a rational risk-based approach for the internal scrutiny function's work programme. The audit and risk committee is responsible for directing the Trust's programme of internal scrutiny, which will focus on:

- Evaluating the suitability of, and level of compliance with, financial and non-financial controls
- Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls
- Ensuring all categories of risk are being adequately identified, reported and managed

5. Monitoring and review

The Trust board will review this policy every two years.

Appendix 1 – the Risk Management Cycle



Appendix 2 – Measurement Matrix

IMPACT	LIKELIHOOD		COMPLIANCE/ LEGAL IMPACT	STUDENT OUTCOMES IMPACT	REPUTATION IMPACT	H&S IMPACT
Catastrophic	Almost certain – 95%+ probability		Regulatory non compliance resulting in intervention, illegal activity resulting in civil/criminal charges	Fail to meet targeted student outcomes by 80%	Irrecoverable with key stateholders Intervention by DFE National News	Fatality of student, staff member or visitor
Major	Likely – 81-95% probability		Breach resulting in regulatory / legal investigation	Fail to meet targeted student outcomes by 40%	Reputation damage with key stateholders Regional press	Serious injury of student, staff member or visitor
Moderate	Possible – 51-80% probability		Breach resulting in improvement action plan being put in place	Fail to meet student outcomes by 20%	Localised reputational damage with groups / individuals Local press	Minor injury of student, staff member or visitor
Minor	Unlikely – 21-50% probability		Breach / warning given but no further actions taken	Fail to meet student outcomes by 10%	Temporary reputational damage with individuals	No injury
Negligible	Rare – Less than 20% probability		Results in near miss regarding non compliance / legality	Fail to meet student outcomes by 5%	No reputational damage	No injury

Appendix 3 – Non-multiplication Scoring Matrix

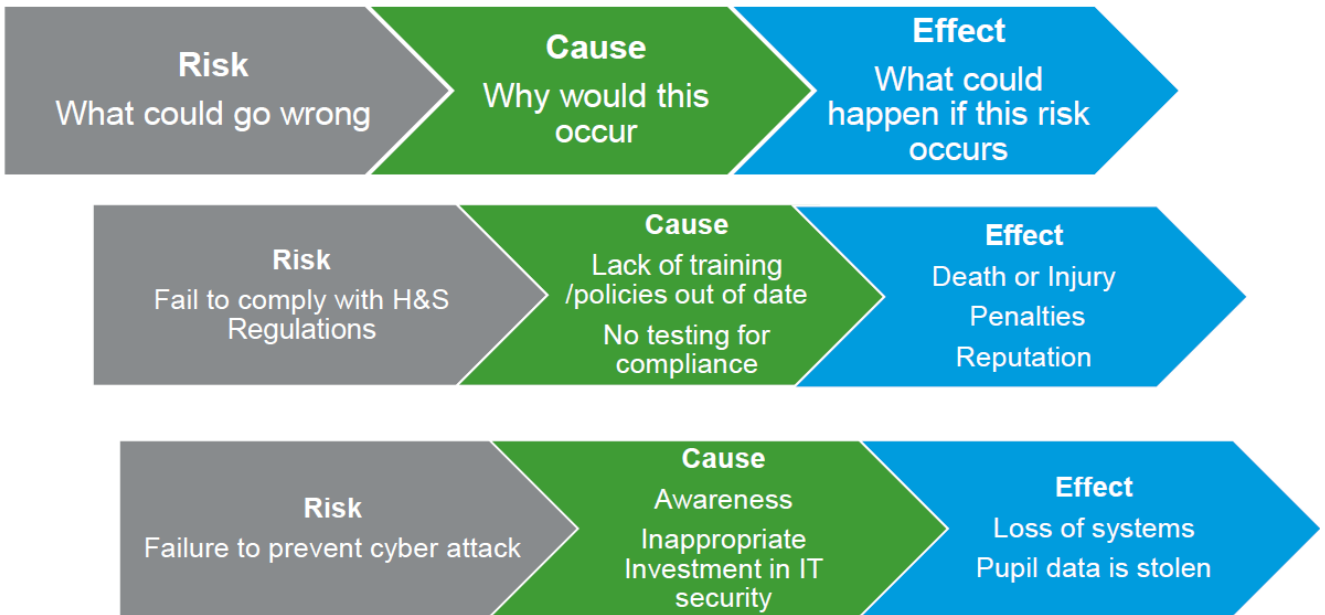
LIKELIHOOD	IMPACT				
	Negligible	Minor	Moderate	Major	Catastrophic
Almost certain	11 Medium	16 High	20 Very High	23 Very High	25 Very High
Likely	7 Low	12 Medium	17 High	21 Very High	24 Very High
Possible	4 Very Low	8 Low	13 Medium	18 High	22 Very High
Unlikely	2 Very Low	5 Very Low	9 Low	14 Medium	19 High
Rare	1 Very low	3 Very low	6 Low	10 Medium	15 High

Appendix 4 – The Risk Register

Risk Theme	Risk no.	Risk Title	Inherent Risk			Control Strategy	Risk Control	Residual Risk		
			Impact	Likelihood	RISK			Impact	Likelihood	RISK
People (Staff, HR & wellbeing)	S1	Risk Description				TREAT				
		Cause	Major	Likely	VERY HIGH			Major	Unlikely	Medium
		Effect								
		Risk owner				Control Owner				
		Risk Lead				Control Owner				
						Control Owner				
						Control Owner				
						Control Owner				
						Control Owner				
						Control Owner				

The risk themes are noted in section 3.1.

The risk description needs to be broken down into three areas risk, cause as follows:



The inherent and residual scores should be measured and scored based on the matrixes contained in appendix 2 and 3.

Appendix of policy updates following each review

January 2025

The Risk Management Policy has been rewritten to capture the way the Trust now identifies, assesses, treats, monitors and reports risks.

The main areas are now as follows:

- Roles and Responsibilities - has been updated to reflect the Academy Trust Handbook and TEALs Scheme of Delegation.
- The Risk Management cycle - has been changed to note the way the Trust will identify, assess, treat, monitor and report risks
- The Trust's risk appetite - notes how the Trust will identify and review its risk appetite
- Monitoring and review – has been updated just to include the review of the policy as the other monitoring and review periods are included in the relevant sections of the policy.

We have also changed the way the risks are scored from a multiplication method to simple risk score. This is to ensure that risks identified as catastrophic but unlikely to happen are noted on the Boston Square matrix. This was recommended on a course attended by the Chair of the Audit Committee and the CFO.