



RISK MANAGEMENT POLICY & FRAMEWORK 2023-2026

Version 1.0

**Reviewed: Three yearly
Reviewer: Dep CE
Approved: Trust Board
Date: 18 October 2023**

Version History

Version	Date Approved by Trust Board/Chair of Trust Board	Changes Made
1.0	18/10/ 2023	

Risk Management Policy & Framework		
Date Policy Developed:	September 2023	
Title:	EMAT Risk Management Policy & Framework	
Summary of Policy:	<ul style="list-style-type: none"> Creates a consistent approach to managing, reviewing and reporting risk within EMAT. 	
Policy Author:	Mandy Lee – Deputy Chief Executive	
Policy First Agreed By: Trust Board/CEO/Committee	Agreed By: Trust Board	Date: 18/10/2023
Author: Contact details:	alee@esteemmat.co.uk	
Additional documents/references related to this policy:	Health and Safety Policy Financial Regulations Finance and Audit Committee terms of reference Strategic Risk Register	
Academy Specific / MAT wide	MAT wide policy	
Review Period: Updated:	3 years Annually	
Date Review Due:	2026	

1. Purpose and Scope

- 1.1** The purpose of this Risk Management Policy and Framework is to establish a consistent approach to managing risk at Esteem Multi-Academy Trust. This policy sets the requirements and responsibilities for all staff and emphasises that the management of risk and reporting on risk is everyone's responsibility.
- 1.2** This policy is applicable to all schools and central services of the Trust.
- 1.3** In line with the EMAT values the Trust embraces intelligent risk taking and recognises that risks can have both positive and negative consequences.
- 1.4** Risk management helps us achieve our objectives, operate effectively and efficiently, protect our people and assets, make informed decisions, and comply with applicable laws and regulations.

2. Aims

- 2.1** The Trust's overall risk management policy is aimed at:
 - Protecting its pupils, 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 will be achieved by:
 - Establishing and maintaining a risk management framework
 - Maintaining documented procedures for the control of risk
 - Providing suitable information, training and supervision
 - Maintaining effective communication and the active involvement of staff
 - Monitoring arrangements on an ongoing basis
- 2.3** Esteem MAT recognises the value a more formal approach to risk management brings to an organisation. We recognise each staff member, contractor and volunteer manages risk every day and is supported by a range of processes and systems to do so. However, we also recognise managing the complexity of organisations in modern day life has become increasingly challenging and that a more formal approach to management of risk brings immediate benefits in the form of:

- increased likelihood of achieving our objectives
- increased stakeholder confidence and trust
- improved operational effectiveness and efficiency
- improved resource planning
- more confident financial management
- greater ease of regulatory compliance, and
- 'less surprises' for staff, senior leaders and the Trust Board

2.4 The reason that these important core benefits are realised through improved management of risk is because our risk processes enhance all of our ability to make decisions under varying levels of uncertainty. The greater the uncertainty and the more important the decision the greater the benefit of a risk-based approach to decision making. In the framework that follows our formal processes, roles and responsibilities are articulated so all of us can gain the benefit of enhanced insight into our decision making.

3. Framework Overview

3.1 Roles and Responsibilities

3.2 The **Trust Board** has a fundamental role to:

- Set the tone and influence the culture of risk management within the Trust
- Determine the appropriate risk appetite or level of exposure for the Trust
- Approve major decisions affecting the Trust's risk profile or exposure
- Set policy for risk management
- Frequently monitor the management of significant risks to reduce the likelihood of unwelcome surprises or impact
- Satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively
- Regularly review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures

3.3 The **Senior Leadership Team** of the Trust will:

- Support and implement policies approved by the Trust
- Establish internal risk policy and structures for schools and services
- Develop risk response processes, including contingency and business continuity programmes
- Provide adequate information in a timely manner to the Trust and its committees on the status of risks and controls
- Focus and co-ordinate risk management activities throughout the Trust

- Raise the level of management awareness and accountability for the business risks experienced by the Trust
- Develop risk management as part of the culture of the Trust
- Provide a mechanism for risk management issues to be discussed and disseminated to all areas of the Trust

3.4 The **Executive Team / Headteachers** will:

- Have primary responsibility for managing risk in their school/service on a day-to-day basis
- Ensure the school has a risk register which is regularly reviewed and updated
- Have responsibility for promoting risk awareness within their schools/service
- Identify and evaluate the significant risks faced by their operations for consideration by the Senior Leadership Team, the Finance and Audit Committee, the Trust and the other sub Committees
- Ensure that risk management is incorporated at the conceptual stage of projects as well as throughout a project
- Ensure that risk management is a regular management meeting and local governing board item to allow consideration of risk exposure and to prioritise work in the light of effective risk analysis
- Report early warning indicators of serious strategic risk to the senior leadership team of the Trust to incorporate in the Trust Strategic Risk Register.

3.5 The **Local Governing Board** of each school is responsible for:

- Reviewing the school risk register on a regular basis and advising on recommended changes or actions.
- Considering and deciding whether any significant risks need to be raised at Trust level.

3.6 Risk Identification

3.6.1 The first step in the risk identification process is that all staff with responsibility for delivering operations aims or targets need to understand the Trust / School's objectives and the legal and regulatory environment in which it operates.

3.6.2 The second step is the translation of these objectives into operating aims in the form of business plans and success indicators for each area of activity. This will already be done via the school improvement plan and other action and improvement plans within the Trust / school and will already be an ongoing annual exercise with regular updating of the aims.

3.6.3 The next step is to identify what would stop each area being as successful as it should. Risks can readily be identified through either brainstorming or a more structured approach that, for example, considers existing performance objectives and indicators and improvement plans for the school / service.

3.6.4 There are many methods for grouping risks, starting from either categorising risk or analysing it using a functional approach. Consideration by category, for example, would include:

- **Strategic risks** – concern the long-term strategic objectives of the school / Trust. They can be affected by such areas as capital availability, legal and regulatory changes, reputation and changes in the physical environment. For example, Ofsted outcomes, forecast increases or decreases in pupil numbers, or serious building condition issues.
- **Operation risks** – concern the day-to-day issues that the organisation is confronted with as it strives to deliver its strategic objectives. For example, failure to maintain timely and accurate learner data or staff recruitment difficulties.
- **Financial risks** – concern the effective management and control of the finances of the school / Trust and the effects of external factors such as inflation and salary increases. For example, failure to balance budget.
- **Compliance risks** – concern such issues as health and safety, environmental, data protection, employment practices and regulatory issues. For example, breach of health and safety or employment laws.

3.6.4 The serious risks that have been identified should be recorded on the risk register template (see template attached).

3.6.5 Using the template each risk should be assessed in terms of the likelihood of its occurrence, and its impact on the school / Trust, should it occur, using a score of 1 (low likelihood/impact) to 5 (high likelihood/impact)

3.7 Risk Mitigation

3.6.1 Once risks have been identified and prioritised, the next step is to decide how the school / Trust is going to address them.

3.6.2 Firstly the 'cost' of accepting the risk should be considered. This may be a financial cost or a lost opportunity. It may be decided that accepting a particular risk is appropriate and further action is not required.

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

- avoid the risk
- transfer all or part of the risk
- mitigate the risk

3.6.4 A risk may be avoided by withdrawing from that area of activity but doing so may result in a missed opportunity.

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

3.6.6 In most cases, the next step will be to put in place systems to mitigate either the likelihood or the impact of the risk. These will include systems or actions addressing the whole operation of the school / Trust as well as the areas where risks have been identified. These systems or actions may well then be included in other plans and strategies eg School Improvement Plan, Health and Safety Action Plan, Capital Plan etc.

3.6.7 Any system of risk mitigation should provide as a minimum:

- Effective and efficient operation of the Trust
- Effective internal controls
- Compliance with law and legislation

3.6.8 Mitigation systems and actions should be recorded in the template as 'Existing Controls' - processes or systems that are already in place that have some effectiveness in mitigating the risk - and 'Response Actions' - additional actions that are planned to ensure greater control over the risk.

3.8 Risk Monitoring & Reporting

3.8.1 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

3.8.2 Any changes should be highlighted and addressed in regular reports to the different levels of management at school / Trust level in line with the following:

Individual schools' local governing boards should:

- Review the school risk register on a termly basis to assess if further actions need to be identified, if new risks have been identified and/or existing risks can be closed, and to consider if any school level risk needs to be raised at a Trust level

- Have systems which regularly communicate variances in budgets and forecasts to allow action to be taken and, if necessary, risks raised to the Trust Finance Director

The Headteacher should:

- Ensure that the school risk register is updated in the light of developments within the school, the Trust and the wider environment
- Raise any urgent, significant risks to the Trust SLT without delay

The Senior Leadership Team should:

- Review key performance indicators and progress towards objectives
- Take necessary action to address adverse departures for objectives
- Provide adequate information to the relevant Trust Committee on the most significant risks

The Finance & Audit Committee should:

- Review the Trust Strategic Risk Register, and Internal Audit reports at its meetings
- Provide ongoing advice on the effectiveness of the risk management process

3.8.3 Outside of formal reporting procedures early warning indicators should be reported systematically and promptly to senior leadership to allow action to be taken.

4. Approval and Review

4.1 The EMAT Risk Management Policy and Framework has been formally approved and adopted by the Trust Board. It will be subject to full review after three years and will be updated annually if necessary.