Risk Management Policy

FREQUENCY OF REVIEW:	**2 years**
COMMITTEE:	**Audit & Risk Committee**
APPROVED:	**March 2023**
DATE OF NEXT REVIEW:	**March 2025 unless there is a material change**

Signed_____   Dated _____
Chair Audit & Risk Committee

Signed_____   Dated _____
CEO

TrustEd CSAT Alliance Risk Management Policy

Purpose
The purpose of this Policy is to outline the risk management strategy for the TrustEd CSAT Alliance.

The Trust is committed to providing a safe environment for all members of the Trust. Risk is an inherent aspect of all academic, administrative and commercial business activities so robust risk management principles must become part of routine management activity.

The key objective of this Policy is to ensure there is a consistent basis for measuring, controlling, monitoring and reporting of risk across the Trust at all levels. This Policy explains the Trust's underlying approach to risk management, documents the roles and responsibilities of the Local Governing Bodies, Trust Board and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures.

"Major risks" are those risks which have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives, or could damage the reputation of the Trust.

Consultation Process
This Policy was developed in consultation with the Audit Committee.

Key Principles
TrustEd CSAT Alliance believes that an effective risk management strategy is a matter of good organisational practice, lying at the heart of effective management and rigorous governance.

Risk Management Process
The Trust is committed to providing a safe environment for all members of each school community within the Trust. In order to do this, we consider:

- the nature and extent of risks that the Trust faces
- the extent and categories of risks that are acceptable
- the likelihood of the risks concerned materialising
- strategies for reducing the incidence and impact of risks that do materialise

Risk Identification
The process of risk identification will involve Local Governing Bodies and the Trust Board.
Consideration will be given to the following factors: the vision, beliefs, values and strategic goals; the nature and scale of the Trust's activities, both current and planned; external factors that may affect the academy such as legislation and regulation, and the Trust's reputation with its key stakeholders.

Assessing the Risks
It is acknowledged that some risk will always exist and will never be eliminated. The specific procedures for the implementation of this Policy and the personnel responsible are detailed below.

The Trust Board is responsible for making a statement on risk management in the annual accounts of the Trust. In order to be able to make the required statement with reasonable confidence the Trust Board should ensure that:

- the identification, assessment and mitigation of risk is linked to the achievement of the Trust's vision and strategic goals as set out in the Trust's Development Plan
- the process covers all areas of risk, e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks
- the process produces a risk exposure profile that reflects the Trust's views as to levels of acceptable risk
- the principal results of risk identification are reviewed, evaluated and managed; and ensure that the risk management is ongoing and embedded in management and operational procedures.

Action Planning/Risk Register

Any risks requiring treatment should be recorded in a risk register. The actions required to produce an acceptable control system will be identified and documented. Clear responsibilities should be allocated to these actions along with a deadline for the action to be completed and a scheduled date for review.

A final version of the register will be circulated to all senior members of the Trust so that they are aware of the Risk Management Policy and the controls in place to limit exposure to risk.

A risk register is compiled considering likely risks relating, but not exclusively, to:

- Strategic and Reputational Risk
- Economical/Financial/Market Risk
- Legal and Regulatory Risk
- Organisation/Management/Human Factors
- Political Risk
- Environmental Risk
- Technical/Operational/Infrastructure Risk

Once a risk has been established, the Trust will assess whether:
- The risk of both likelihood and impact of the event is high
- The risk of likelihood or impact of the event is high
- The risk of neither the likelihood nor the impact is high

As new risks are identified throughout the year these will be assessed and added to the risk register.

Risk Assessment
a. Discuss and agree that all involved are satisfied with the list of risks
b. Determine the appropriate response to each risk
c. Assess existing controls and determine appropriate action
d. Allocate responsibility for new action; and
e. Agree future reporting and review procedures
f. Taking each of the risks in turn, discuss and rate them in terms of both likelihood and impact
g. The assessment of each risk will take into consideration the control measures currently in place to manage the risk. The controls identified will be assessed to determine whether they are an appropriate mitigation of the risks identified.

Special Fund
The Trust uses a pooled reserve to mitigate risk against unexpected capital emergency projects.

Roles and Responsibilities

The Role of the Trust Board
The Trust Board has responsibility for the total risk exposure of the Trust and will be responsible for:
- Approving major decisions affecting the Trust's risk profile or exposure
- Deciding on the Trust's appetite for risk
- Determining what types of risk are acceptable/not acceptable and monitoring significant risks and control improvements to mitigate risks
- Annually reviewing the Trust's approach to risk management and approving changes or improvements to key elements of the process and procedures

The Role of the Audit & Risk Committee
The Audit & Risk Committee is to support the Trust Board in ensuring that a framework is established and maintained for the identification and management of risk and to monitor internal and external audit matters across the Trust.

Monitoring & Review:
The Audit & Risk Committee will identify and evaluate the significant risks faced by the Trust to ensure that risks are identified and that appropriate controls and responses are in place and ensure that:

1. A risk register is compiled and maintained.
2. New risks/escalating risks are identified.
3. Planned actions are carried out in line with agreed timescales.
4. The risk register is updated as risks change over time.
5. It is satisfied that the less fundamental risks are being actively managed, with the appropriate controls in place and working effectively.
6. All reports from internal audits are reviewed and monitoring the implementation of any recommendations.
7. An annual review of effectiveness of the system of internal control and risk management from internal audit are received.
8. An annual report from the external auditor on the effectiveness of the internal controls reviewed as part of the audit is received.
9. The Trust's approach to risk management is reviewed annually and changes or improvements to key elements of its processes and procedures are made as required.
10. Adequate information is provided in a timely manner to the Board on the status of risks and controls.