



**Forefield  
Junior School**



# **Risk Management Policy**

## **1 October 2024**

version control

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0.1	15.07.24	Draft	M Wright	Initial draft
1.0	01.10.2024	Approved	Trust Board	

Date of next review	
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## **1. Policy statement**

The Trustees of Mersey View Learning Trust (The Trust Board), supported by the Finance and Audit Committee, are accountable for risk management and for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding against threats to all assets (including human and non-material) for which it is responsible. The Trust Board acknowledges that risk cannot be entirely eliminated, however, they hold the CEO to account for putting in place appropriate mitigation to ensure risk is not damaging. The Trust Board delegates the function of overseeing risk management to the Finance and Audit Committee. This committee holds the CEO to account for ensuring that the Trust meets all aspects of statutory compliance. They are aided in this function by internal audit. The Trust Board recognises that opportunities to further the Trust's mission will always have associated risks. The Board recognises that not capitalising on emerging opportunities may in itself adversely influence the achievements of the Trust. In managing risks and opportunities, the Board will assess the appropriateness and strength of plans to manage them. New opportunities will always be discussed, debated and challenged, and considered in light of the risk capacity of the Trust. This policy is written in accordance with Department for Education guidance.

## **2. Scope and purpose**

The policy explains the Trust Board's approach to risk and also how responsibilities for risk management are delegated. The policy explains how the risk register is created and the way in which it is used by the CEO and the Trust Board to identify, measure, manage, monitor and report risk. The CEO has the delegated responsibility for risk management and is supported in this by the Executive Team. Risk is managed by everyone on a daily basis and school leaders constantly assess situations. The Trust Board is particularly concerned with risks and opportunities that can have a high impact (positive and negative) on the running of the Trust and the meeting of its business objectives and mission.

## **3. Risk management objectives**

The objectives for managing risk across the Trust are:

- to comply with risk management best practice
- to ensure risks facing the Trust and individual academies are identified and appropriately documented
- to provide assurance to the Trust Board that risks are being adequately controlled and / or identify areas for improvement
- to ensure action is taken appropriately in relation to accepting, escalating, mitigating, avoiding and transferring risks.

## **4. Risk management strategy**

4.1. This strategy aims to:

- 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 training and awareness throughout the Trust.
- 4.2. In its bi-annual consideration of the risk register, the Trustees should consider the effectiveness of the overall approach to, and policy for, risk management and whether changes or improvements to processes and procedures are necessary.
- 4.3. As part of the review, the following should also be considered:
- review of this policy and its effectiveness
  - whether risk management continues to be linked to the achievement of the Trust's objectives
  - whether risk review procedures cover fundamental strategic, and reputational, operational, compliance, financial and other risks to achieving the Trust's objectives
  - whether risk assessment and risk-based internal control are embedded in on-going operations and form part of its culture
  - changes in the nature and extent of fundamental risks and the Trust's ability to respond to changes in its internal and external environment since the last assessment; the scope and quality of management's on-going process of monitoring the system of internal control, including such elements as the effectiveness of assurance functions
  - the extent and frequency of reports on internal control to the Trust Board and whether this is sufficient for the Trust to build up a cumulative assessment of the state of control and effectiveness of risk management
  - the incidence of any fundamental control failings (risk events) or weaknesses identified at any point within the year (near misses) and the impact that they have had or could have on financial results
  - the effectiveness of the Trust's public reporting processes.

## **5. Roles and responsibilities**

- 5.1. The Trust Board, being the principal policy making body, has overall accountability for managing risk. They:
- consider the tone and culture of risk management within the Trust
  - determine the appropriate risk appetite and whether the Trust is "risk taking" or "risk averse" at any given time in relation to capacity. The risk register will support this judgement and a decision will be taken as to whether the Trust has the capacity to manage further risk, or, if not taking an opportunity, a risk is presented (e.g. growth)
  - determine which risks are acceptable and which are not

- approve the framework for managing risk
- approve major decisions affecting the organisation's risk profile or exposure
- monitor the management of fundamental risks through the Finance and Audit Committee
- satisfy itself that less fundamental risks are being effectively managed and there are clear lines of accountability
- ensure all aspects of compliance are adhered to
- review the Trust's approach to risk management and approving changes and / or improvements to key elements of the processes and procedures.

5.2. The Audit and Risk Committee supports the Trust Board in the assessment and management of risk. They must:

- understand the Trust's strategic plan, operating environment and associated risks
- understand the framework for risk management and assurance
- critically challenge and review the risk management and assurance framework and all controls
- understand how risks and opportunities support the key business objectives and the mission
- work with Executive in identifying annual internal audits in relation to risk
- review the risk register at every meeting
- recommend any amendments to the Trust Board and authorise who is overseeing the risk register from the Executive
- focus on the top 10 risks faced by the Trust at every meeting and review the update from the Executive
- review the full register and compliance on an annual basis.

5.3. The CEO is the Accounting Officer and has delegated responsibility for:

- evaluating and reporting to the Trust Board whether the Trust values, leadership style, opportunities for debate and learning, People Strategy support the desired risk culture, incentivise expected behaviours and sanction inappropriate behaviours
- delegating to a member of the Executive oversight of risk management and reporting to the Audit and Risk Committee on an annual basis
- ensuring the responsible executive has adequate resources, including access to training
- ensuring the expected values and behaviours are communicated and embedded at all

levels of the Trust through regular training

- ensuring risk is an integral part of appraising option choices, evaluating alternatives and making informed decisions so that risk management is integral to all decision making
- accurately reporting to the Audit and Risk Committee and the Trust Board on current and future risk
- producing a report four times a year that addresses the top current and future risks identified by the Executive, supported by the Audit and Risk Committee
- ensuring the language of risk management is used at every level of the Trust and that risk management is part of the Trust's culture, not an add-on process.

5.4. The Local Governing Body:

- considers the main risks faced by each academy and how those are being managed
- reviews health and safety reports at each meeting and that hazards are effectively managed by the academy
- reviews safeguarding data at every meeting and challenges safeguarding procedures
- scrutinises the annual external safeguarding review
- has a named governor for safeguarding

5.5. Academy Headteachers, supported by Operations and Business Managers, are responsible for:

- implementing policies on risk management and internal control
- identifying and evaluating fundamental risks faced by their academy
- assisting the Executive and internal auditors to undertake an annual review of risk management and the effectiveness of the systems of internal control, where appropriate
- keeping informed, and escalating any risks to the Executive, in order for them to be accessed and communicated as appropriate
- embedding risk management as part of the systems on internal control.

5.6. The systems on internal control incorporate risk management. It encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Trust to respond to a variety of risks. These elements include:

- policies and procedures - attached to fundamental risks, are a series of policies that underpin the internal control process. The policies are reviewed by the Board. Written procedures support the policies where appropriate
- management of risk and the risk register - every academy within the Trust must hold its own risk register. This must be kept up to date and available to the Executive at all times.

The responsibility for this lies with the Headteacher; however, they may delegate the update of the register to a member of their SLT. They will discuss the register formally with the CEO three times a year and also at any point where there is a need for an update. The risk owner must assess all risks and any which are scored at a rating of 12 or above must be escalated to the Executive as soon as it is identified.

- 5.7. The risk registers are held in the SharePoint site for each academy.
- 5.8. In order to ensure that all Headteachers understand their responsibilities, Headteachers will be supported to effectively manage risk with training provided as needed by the Executive, supported by internal auditors. The training for the risk management framework is a key part of this policy and the procedures for the Trust.
- 5.9. Any new senior member of staff must undergo training as part of their induction, especially evaluation of risks.
- 5.10. The risks to the Trust are divided into 7 sections on the register; we recognise that these are not exhaustive and that reputational risk does not have its own category even though it is a valuable asset. This is because we see reputational risk as being a consequence of any one of the below.
- 5.11. The risks to the Trust are divided into seven sections:
  - strategic
  - people
  - reputation
  - safeguarding
  - education
  - finance
  - operations
  - estates
  - legal.

## 6. Trust matrix and risk notes

### 6.1. Likelihood

The following table provides the indicative terms against which the probability of a risk event occurrence is evaluated. Please note, the 'Indicative frequency' may not be relevant when assessing risks related to repeated activities or when objectives are to be delivered over discrete periods of time – it should not be the sole basis for assessment.

Level	Likelihood	Description	Indicative %	Indicative frequency
1	Rare	May never occur	<5%	Once in the next 10 years
2	Unlikely	Would be surprising if it occurred	5-25%	Once in the next 5 years
3	Possible	May occur at some stage	26-65%	Once in the next 3 years
4	Likely	Probably will occur (no surprise)	66-95%	At least once in the next year
5	Almost certain	Expected to occur	>95%	Multiple times in the next year

## 6.2. Impact

The table at Appendix 1 provides indicative terms against which the significance of risk is evaluated.

## 6.3. Effectiveness of control measures

Rating	Criteria
(1) Effective	The design of controls is adequate and effective in addressing the key causes and/or consequences of the risk. The control measures have been formally documented and proactively communicated to relevant stakeholders. The control measures are operating effectively so as to manage the risk.
(2) Acceptable	The design of controls is largely adequate and effective in addressing the key causes and/or consequences of the risk. The control measures have been formally documented but not proactively communicated to relevant stakeholders. The control measures are largely operating in a satisfactory manner and are providing some level of assurance.
(3) Needs improvement	The design of controls only partially addresses key causes and/or consequences of the risk. Documentation and/or communication of the control measures are incomplete, unclear or inconsistent. The control measures are not operating consistently and/or effectively and have not been implemented in full.
(4) Ineffective	The design of controls is, overall, ineffective in addressing the key causes and/or consequences of the risk. Documentation and/or communication of the control measures do not exist. The controls are not in operation or have not yet been implemented.
(5) Not started	Attempts to mitigate the risk may have been identified but have not yet started.

## 6.4. Risk acceptability table

This table is used to decide whether a risk is acceptable, based on its overall risk score.

Acceptability level	Action
Score 3-7 Acceptable (low)	Exposure to this risk is acceptable, but the risk should be subject to periodic review to ensure it does not increase and the effectiveness of current control methods remains stable.
Score 8-11 Tolerable (medium)	Exposure to the risk is only acceptable following an investigation to identify opportunities to reduce the risk and implement additional control measures. The risk should be subject to regular review to ensure the control methods remain effective.
Score 12+ Unacceptable (high)	Immediately consider whether the activity associated with the risk should cease. Any decision to continue exposure to this level of risk should be made by school management, and be subject to the development of detailed actions, on-going oversight and high-level review.

The risk response is based on the rating. Two responses are used:

TREAT - specific action is required to contain the risk to an acceptable level



TOLERATE - exposure to risk may be tolerated without any further action

Each element of risk will be reviewed and updated where relevant, on a 3 monthly basis.

The risk register will form a standard agenda item at all Trust Board meetings. The risks will be highlighted on an exception basis and these will be presented to the relevant meetings as appropriate.

The Trustees of Mersey View Learning Trust are accountable for all risks.

## **7. Policy review**

This policy is subject to regular review, unless updates are required in terms of compliance with the Academies Trust Handbook.

## Appendix 1: Impact - indicative terms against which the significance of risk is evaluated

		Risk category							
Level	Impact	Education	People	Finance	Reputation	Operations	Strategic	Estates	Legal and compliance
1	Negligible	Educational delivery and outcomes can be met with workarounds	Minor injury requiring no first aid or in-school support for stress or trauma	Small loss that can be absorbed	Internal impact No external impact	School operations continue with slight interruptions to normal activities	Goals, targets and key improvement strategies can be delivered with inconsequential impacts	Very minor repairs or activity required	Minor legal penalties
2	Minor	Educational delivery and outcomes will be achieved but below targets	Injury or ill health requiring first aid In-school support for stress or trauma required	<2% deviation from the budget	Adverse comments in local media Short-term stakeholder dissatisfaction	Some school operations disrupted Minor workarounds return school to normal operations	Minor workaround needs to be implemented to deliver the goals, targets and key improvement strategies	Minor repairs or activity required	Low-level legal penalties
3	Moderate	Pupils' overall performance levels are static Decrease in attendance and behaviour standards	Injury or ill health requiring medical attention Professional support for stress or trauma required	loss of assets 2-5% deviation from budget ESFA enquiry	External scrutiny Adverse comments in county/city media Impact on stakeholder relationship	Key school operations temporarily disrupted SLT meeting required to return school to normal operations	Constant consultation with key stakeholders needs to be maintained to deliver goals, targets and key improvement strategies	Repairs or activity required which may necessitate some deviation to the usual ways of working or delivering lessons	Significant legal penalties Operations monitored internally
4	Major	National targets not achieved Partial achievement of targeted learning outcomes Stakeholder dissatisfaction	Injury or ill health requiring hospital admission Ongoing clinical support for stress or trauma required	Loss of significant assets 6-15% deviation from budget External audit qualification on accounts High-level fraud committed ESFA investigation	External investigation Adverse comments in national media Tenuous stakeholder relationship	All school operations disrupted External assistance sought	Significant adjustment to resource allocation and service delivery required to deliver goals, targets and key improvement strategies	Repairs or works required which may necessitate significant deviation to the usual ways of working or delivering lessons	Significant legal penalties Operations monitored by external regulatory body

Risk category									
Level	Impact	Education	People	Finance	Reputation	Operations	Strategic	Estates	Legal and compliance
5	Severe	Decline in pupil performance in English/maths Pupil engagement and connectedness to the school is very poor Declining number of pupil options for pathways and transitions	Fatality or permanent disability Extensive clinical support for multiple individuals for stress or trauma required	Loss of key assets >15% deviation from budget Systematic and high-value fraud ESFA investigation	Commission of inquiry Adverse comments in national media on a major scale, e.g. front-page news Stakeholder relationship irretrievably damaged	Normal school operations cease School evacuated Appropriate external bodies notified	Goals, targets and key improvement strategies cannot be delivered Changes need to be made to the strategic plan	Risk of school closure	Programmes/ operations ceased by regulatory body