Risk Management Policy

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Policy Type	Statutory
Owner	Chief Financial & Operations Officer
Approved By	Finance Audit and Risk Committee
Approval date	19th July 2024
Next review date	July 2025

Review Date & Summary Changes

September 2022 – 1.1	Amendments have been made to this policy from version 1.0 approved in July 2022: • Addition of outline processes for identifying, monitoring and reporting risk • Addition of Risk Appetite to support evaluation of risk Outline of risk scoring mechanism
September 2023	Wording adjusted to reflect the DfE guidance.
July 2024	**Amended Policy to reflect the changes in the Risk Management procedures across the Trust**

Signed By:

Chief Financial and Operations Officer   9th July 2024

Chair of the Finance Audit and Risk Committee   9th July 2024

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1. POLICY STATEMENT

1.1. This document sets out for Omega Multi-Academy Trust ("the Trust") the Risk Management Policy ("the Policy"). Reference to the Trust includes its member organisations for the purpose of the role, responsibility and procedures contained herein, except where otherwise stated.

1.2. The purpose of this Policy is to ensure that the Trust maintains and develops a robust approach to risk and risk management in terms of process and procedures. The Trust considers risk management to be fundamental to good management practice and a significant aspect of corporate governance. Effective management of risk will provide an essential contribution towards the achievement of the Trust's strategic objectives and associated business priorities. It is essential that these systems operate properly to meet the   requirements of our funding agreement with the Department of Education (DfE).

1.3. The Trust must comply with the principles of risk management outlined in the Academies Trust Handbook published by the DfE. This Policy expands on that and provides detailed information on the Trust's risk policy and procedures.

1.4. The Trust considers risk and risk management as an integral part of decision making and routine management and must be incorporated within strategic and operational planning processes, at all levels, across the Trust.

1.5. Risk assessments must be conducted on new ventures and activities, including projects, processes, systems and commercial activities to ensure that these are aligned with the Trust's objectives and goals. Any risks or opportunities arising from these assessments will be identified, analysed and reported to the appropriate management level. The Trust will centrally maintain a strategic risk register. All Academies within the Trust will maintain operational risk registers. The Trust is committed to ensuring that all staff, particularly Head Teachers are provided with adequate guidance and training on the principles of risk management and their responsibilities to implement risk management effectively.

1.6. The Trust will regularly review and monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the Trust.

1.1 Policy Objectives

The objectives of the policy are to:

- Integrate risk management into the operation and culture of the Trust and each of its constituent schools.
- Manage risk following the best and most appropriate practices.
- Respond to changing operational, environmental and legislative requirements.
- Prevent injury, damage and loss, wherever possible, and reduce the cost of risk.
- Develop and maintain the characteristics of a risk intelligent organisation that:
  - deals with risk systematically across the Trust and in all constituent schools
  - responds with agility to new / emerging risks
  - manages risk to reduce threats
  - facilitates simplicity and action, not bureaucracy
  - secures trustee, executive and senior post-holder engagement

The objectives will be achieved by:

- Establishment of an appropriate risk management group (Executive Team)
- Designation of a risk management champion (Chief Finance and Operations Officer) to promote risk management across the Trust and within each school (Headteacher/School Business Manager)
- Explanation / dissemination of how risk management will be implemented.
- Creation and regular updating of a risk register for the Trust and each of its constituent schools using the WeAreEvery platform.
- Identification and rating of risks through a team of identified risk owners
- Development of a four lines of defence concept to support the process of risk management:

  - 1st line of defence – management and staff who own and manage risk on a day-to-day basis.
  - 2nd line of defence – The Trust Board who oversee the effectiveness of the risk management framework.
  - 3rd line of defence – the internal scrutiny function who provide independent assurance on the overall effectiveness of risk management and controls.
  - 4th line of defence – assurance from external independent bodies such as the external auditors and other external bodies

- Development of a risk appetite statement to support the consistent evaluation of risk at Trustee, Local Governing Body and Management level.
- Appropriate training for risk owners in the treatment of risk and maintenance of the risk register
- Oversight of the Trust's risk register and associated mitigation by the Finance, Audit and Risk Committee
- Oversight of a school's risk register by the Local Governing Body, as appropriate in-keeping with the scheme of delegation
- Identification of existing controls / risk actions, aimed at eliminating or reducing the probability and/or impact of risks, for inclusion in trust/school strategic plans
- Preparation of contingency plans in those areas / activities that are deemed to be high risk
- Continuous development of risk management across the Trust and all constituent schools.

2. ROLES AND RESPONSIBILITIES

2.1. Board of Trustees

The Board of Trustees:

- Must maintain overall responsibility for risk management, including ultimate oversight of the risk register, drawing on advice provided to it by the audit and risk committee.
- Aside from any review by the audit and risk committee, the Board should review the risk register frequently and **must** conduct a full review of it at least annually.
- Sets the tone and influences the culture of risk management across the Trust.
- Determine what types of risk are acceptable and which are not.
- Approves major decisions affecting the Trust's risk profile or exposure

2.2. Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee have the delegated responsibility for oversight of the Trust's risk register and advising the Board of Trustees as required to enable trustees to appropriately execute their fiduciary duties. Its role is to:

- Review the Strategic Risk Register for the Trust, ensuring that it covers the full operations and activities of the Trust and includes contingency and business continuity planning, and ensure that all risks are being addressed appropriately.
- review the ratings and responses on the risk register, and use this as a reference point to inform the internal scrutiny programme of work
- approve a programme of work annually to deliver internal scrutiny that provides coverage across the year, agree who will perform the work and consider their reports and the trust's progress in addressing recommendations.
- report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

2.3. Local Governing Bodies (LGB)

The LGB is responsible for managing, monitoring, and reporting risks within each individual Academy. To deliver this with reasonable confidence the LGB 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 its development plan.
- Ensure that the process covers all areas of risk, e.g. Student Outcomes, Student Welfare, Student attendance, Safeguarding, Extra and extended Curricular activities, reputational and external factors and is focused primarily on major risks.
- Ensure that the process produces a risk exposure profile that reflects collective views as to levels of acceptable risk.
- Review academy risks and consider the principal results of risk identification, evaluation, and management; and
- Ensure that the risk management is ongoing and embedded in the management and operation procedure.

2.4. Omega Executive Team

The Omega Executive Team will have overall responsibility for the administration and implementation of the risk management process and will be the Trust's risk management group. Its role is to:

- Identify and evaluate the significant risks faced by the Trust for consideration by the Board of Trustees and/or Finance, Audit and Risk Committee.
- Encourage effective risk management practice within their delegated areas of responsibility.
- Ensure that information on risk management is communicated across the Trust to maintain the appropriate level of awareness.

- Provide appropriate and timely information to the Trust Board and/or Finance, Audit and Risk Committee on the status of risks and controls, with particular emphasis on significant and strategic risks that may need special consideration.
- Ensure that sufficient and appropriate resources are dedicated to risk management.
- Undertake an annual review of risk management reporting to the Board of Trustees.
- Identify and agree risk owners for the Trust and each of its constituent schools.

2.5. The Chief Finance and Operations Officer

The Chief Finance and Operations Officer will manage the implementation and day-to-day running of the risk management process. Duties include:

- Developing and maintaining the Trust's strategic risk register.
- Identifying and evaluating significant risks.
- Maintaining and reporting on risk management actions.
- Producing regular risk management reports for consideration by the Omega Executive Team and the Finance, Audit and Risk Committee.
- Producing an annual report for the Board of Trustees.
- Advising executives/trustees on any new/emerging significant risks and the allocation of risk owners.

2.6. Headteachers and/or School Business Managers

Headteachers and/or School Business Managers will manage the implementation and day-to-day running of the risk management process within their constituent schools. Duties include:

- Developing and maintaining their school's strategic risk register.
- Identifying and evaluating significant risks.
- Maintaining and reporting on risk management actions to their Local Governing Body.
- Producing regular risk management reports for consideration by their Local Governing Body three times each year.
- Advising governors on any new/emerging significant risks and the allocation of risk owners.

2.7. Risk owners

All risks have a risk owner. Risk owners have an important role in the successful delivery of the Trust's risk management strategy and are personally accountable for ensuring that risks are managed effectively.

Risk owners are responsible for:

- Ensuring that a risk is clearly defined in terms of risk description, cause and effect.
- Ensuring that the risk assessment is made and is realistic.
- Developing an appropriate management response, aimed at reducing negative impacts/probability and maximising positive impacts/probability.
- Overseeing the management of the risk.
- Ensuring that the risk register remains up to date.

Risk owners may not take all management actions themselves and may delegate the management of some individual risks to named individuals (either as delegated risk owners; control or action owners) who will be held to account through the monitoring of the risk register. Named individuals should consent to managing the risks and keep the risk owner informed on a regular basis.

2.8. Employees

All employees are responsible for ensuring that they are aware of and understand Trust/School processes and procedures. Leaders and line-managers need to understand and manage the risks related to their area of activity; in most circumstances, this will mean that they assume the risk owner role too.

3. RISK IDENTIFICATION AND RECORDING

Taking risk management seriously is a priority for the Trust. This Risk Management Policy forms part of the Trust's internal control and corporate governance arrangements. It is designed to provide assurance that the Trust has adopted best practice in this area, as advocated by the Turnbull Report on internal control of companies and in other parts of the education and voluntary sectors.

Risk is defined as, "Any event happening that may have an impact on the achievement of business objectives". Such events can be either actual threats to the provision of existing programmes and projects, or opportunities missed.

The purpose of this policy and procedure is to outline the risk management strategy of the Trust. It sets a framework for the management of risks and identifies roles and responsibilities of staff in the management of those risks.

The Trust sets out strategic and business objectives and risk management is the discipline by which risks that threaten the achievement of those objectives are identified and managed as part of the planning process.

"Risk" is used in this policy and procedure to describe the uncertainty surrounding events and their outcomes that might have a significant effect, either enhancing or inhibiting:

- Operational performance.

- Achievement of aims and objectives; or

- Meeting the expectations of stakeholders.

"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 or its constituent Academies.

Aims and Underlying Approach to Risk Management

This policy and procedure apply to the risk management strategy for the Trust and the Academies which go to makeup the Trust.

Risk Management is the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects. It is a process that involves the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, controlling, monitoring and communicating risk.

The process and procedures of how Trust manages and controls risk across the Trust are covered below.

The Trust has a risk management strategy which aims to:

- Identify and evaluate risks which could prevent the Trust from achieving one or more of its strategic aims and objectives and delivery targets or make their achievement substantially more difficult.

- Assess the likelihood of such risks occurring and the potential impact of such occurrences with reference to the areas of Academy, Reputation, Strategy and Business, Finance and Treasury and planning/operations; and

- Enable decisions to be taken on how much risk to accept, the actions/controls applied to avoid or mitigate the

likelihood of such circumstances arising, to transfer risk or insure against the consequences and assign responsibility for implementation.

In practice there are a multitude of risks within the Trust, and it is not possible in a simple statement, or measure, to set out the Trust's appetite for the level of risk to take. This is something that needs to be considered on a risk-by-risk basis, considering the context of the risk.

Once risks have been assessed, evaluated, and ranked, the Trust will put in place appropriate plans to manage them. These may include preventative controls, mitigation processes and contingency plans, if risks materialise. The approach taken will be a function of the Trust's risk appetite and risk capacity:

● Risk appetite – the amount of risk the Trust is willing to accept in pursuit of its objectives.
● Risk capacity – the resources (financial, human etc) available within the Trust to manage risk.

Selecting the most appropriate risk treatment options involves balancing the potential benefits from the achievement of objectives against the costs, efforts or disadvantages of proposed actions.
The Trust will determine the most appropriate method of dealing with each risk using the four Ts Process:

● Tolerate risk (accept/retain) – where no action is taken to mitigate or reduce a risk. This may be because the cost of instituting risk reduction or mitigation activity is not cost-effective, or the risks of impact are at so low that they are deemed acceptable to the Trust. Even when these risks are tolerated, they should be monitored because future changes may make it no longer tolerable.
● Transfer risk (insurance/contract) - Transferring risk can be achieved using various forms of insurance, or the payment to third parties who are prepared to take the risk on behalf of the Trust.
● Treat risk (control/reduce) - controlling risk through actions that reduce the likelihood of the risk occurring or minimize its impact prior to its occurrence. Most risks will be managed in this way.
● Terminate risk (avoid/eliminate) – some risks will only be treatable, or containable to acceptable levels by terminating the activity.

The Trust believes that an effective risk management strategy is a matter of good organisational practice, lying at the heart of good management and good governance. The risks to which the Trust is exposed to reflect the dynamic and changing environment in which it operates, and the risk management strategy reflects this.

The following key principles outline the Trust's approach to risk management and internal control in pursuing the aims set out below:

● The Trust has responsibility for ensuring all systems and

processes appertaining to risk management are in place and reviewed regularly.

- The Trust carries out this responsibility through its Board of Directors:

- An open and receptive approach to solving risk problems is adopted by the Trust.

- Key risk indicators are identified and closely monitored on a regular basis at both the Trust and at an individual Academy level. The Trust's wider risk register is updated on a regular basis.

- The Board of Directors review The Trust's risk register and action plan on a regular basis.

- The Trust, through its Executive team, are responsible for the operational management of this policy and in giving assurance to the Board on its compliance.

- The Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.

- Resources are assigned to the management of risks in such a way to optimise   value for money.

- The Trust uses a weighted scoring for all identified risks, early warning indicators, milestones on actions and details sources of assurance over the controls in place, relevant to each identified risk; and

- All staff within the Trust are encouraged to be involved in the risk management process by the reporting of risks through the risk template for both the Trust as a whole and Academy specific risks. The Trust aims to ensure that its risk management policy and strategy are fully embedded   across the Trust.

The Trust Board has a responsibility under law to state in its annual accounts that the major risks to which it is exposed have been reviewed and systems have been established to mitigate those risks.

Properly controlled risk taking is necessary to the success of the organisation to build capacity for the future and deliver against the strategic goals set out in the development plans of the Trust's and its constituent Academies.

4. RISK MEASUREMENT

The Trust's goal is to be "in control" which means that all risks have been effectively identified, assessed and that controls have been put in place to reduce the risk to within the Trust's risk appetite. Once identified, the Trust will then ensure that risks continue to be appropriately managed and reported to enable effective decision making to be made.

The Trust has developed a risk management strategy built around a comprehensive risk management and controls assurance framework/ process as detailed in the 4-step process below:

1. Risk Identification;

2. Risk Assessment.

3. Risk Management and Assurance; and

4. Risk Monitoring, Evaluation and Review.

The 4 step process

Risk Identification

The process of risk identification will involve Trust Board Members and Executive Team along with Governors, Headteachers and management at individual Academy's.

Risk identification is an ongoing process, it is recognised that the identification and proactive management of risk in the early stages of an initiative is far more cost effective than introducing retrospective interventions later.

When identifying risks consideration will be given to the following factors:

● The Trust's / Academy vision, beliefs, values and strategic goals.

● The nature and scale of the Trust and the individual Academy's activities, both current and planned.

● External factors that may affect the organisation such as legislation and regulation, and the Trust's / Academy's reputation with its key stakeholders; and

● The operating structure, e.g. functions.

Risks will be identified and grouped into two levels and into five standard

generic categories which will reflect the size and scale of the Trust's activities and includes:

Trust Level - Corporate and Strategic Risks

Academy/ Operational Level - Operational Risks

Risk Categories

1. Academy
2. Brand/ Values or Reputational
3. Strategic and Business
4. Finance and Treasury
5. Regulation and Compliance

Examples of risks that fall into the above generic categories are ***shown in Appendix 1***

The 'Risk Register' is a repository for all identified risks within the Trust and within each individual Academy (See section 9 below).

Risk Assessment

Each identified risk will be assessed to determine the likelihood of the risk occurring and the potential consequence or impact of its occurrence for the Trust and (or) the individual Academy.

The net risk change over the year is highlighted by use of RAG rating.

- Increasing risk.

- No or minimal change; and

- Reducing risk.

Risk assessments allow the Trust to identify and employ the appropriate means and resources to manage the risk. It is calculated by considering the probability/ likelihood of the risk materialising against the impact should it materialise (using the 5 by 5 risk assessment matrix).

The following scoring system will be applied to each risk, whereby the risk score represents the product of the impact score and the likelihood score.

			Risk Scoring					Risk Event
			Trust Reporting: Board Red / Amber					
I m p a c t	**Critical** - Reached risk limit, immediately compromises the ability / licence to operate. Reportable to Board, Appropriate Body	5	5A (15)	5B (19)	5C (22)	5D (24)	5E (25)	Critical
	Severe - Approaching risk limit, could compromise licence to operate if not addressed. Reportable to Board, Appropriate Body	4	4A (9)	4B (14)	4C (18)	4D (21)	4E (23	Severe
	Major - Outside of appetite but unlikley to compromise the licence to operate. Reportable to Board	3	3A (7)	3B (11)	3C (13)	3D (17)	3E (20)	Major
	Moderate - Some elements outside of appetite but not entirely. Reportable to Board	2	2A (5)	2B (6)	2C (10)	2D (12)	2E (16)	Moderate
	Minor - Within risk appetite, Managed locally - AGC / Exec	1	1A (1)	1B (2)	1C (3)	1D (4)	1E (8)	Minor
			A	B	C	D	E	
			Very Unlikely	Unlikely	Possible	Probable	Imminent	
			<10% in year	10-30% in year	31-50% in year	51-75% in year	>75% in year	
			May occur within next 10 years	May occure within next 5 years	May occure within next 3 years	May occur within the year	About to happen	
			Probability / Likelihood					

Key: *Impact (I)* = Severity of impact if the risk should crystallise.
              Likelihood (L) = Likelihood that the identified risk might crystallise

Guidance on the definitions of likelihood and impact on occurrence on risks is highlighted in **Appendix 2 attached**.

Each risk will be assessed to determine its "gross" or inherent risk score – the higher the score the more urgent the need for the risk to be mitigated and its "net" or residual risk score, considering risk mitigation factors (see below), which either lessen the likelihood of the risk occurring or lessen its impact if it does.

'Management' will use the net risk scores to rank those risks that they regard as most serious – the "major risks".

The Trust Board will need to form a view as to the acceptability of the residual risk that remains after mitigation.

The level of risk tolerance may vary depending on the nature of each risk or activity. The Trust Board will also consider the overall risk profile, i.e. the balance between higher and lower risk activities. The boundaries and limits

will be communicated to management to ensure a clear understanding of the risks that can be accepted and those considered unacceptable. This may include identifying "target" risk scores for certain major risks, to be achieved after actions to further mitigate the risks.

Risk Management and Assurance

For each of the major risks identified, the Trust Board will need to ensure that appropriate action is taken to mitigate these to an acceptable level. They will also wish to gain assurance for those risks showing significant reductions in the gross to net risk score. This will involve:

- Establishing the effectiveness of the key factors mitigating or controlling the inherent risk.

- Identifying further actions and resources required to achieve target risk scores.

- Taking responsibility for monitoring the risk and sources of assurance; and

- The CFOO will provide an annual report on risk management to the Trust Board.

The LGB of each Academy within the Trust is responsible for managing, monitoring and reporting risks within each individual Academy,

The CFOO supported by the ET is responsible for ensuring the risk management policy is implemented and for coordinating risk management activity across the Trust, including liaison with the Headteacher of the Trust's constituent Academies.

Risk Monitoring, Evaluation and Review

Risk monitoring and reporting aims to provide the Trust Board, LGC's and ET with an accurate, timely and clear account of the current and projected risk exposure. This in turn assists management when making informed strategic and operational decisions to ensure the Trust continues to operate in line with our values, ethics and performance objectives.

Risk reporting occurs at several levels to ensure the availability of timely/ relevant information for a variety of stakeholders to support informed decision making on an ongoing basis.

The Trust Board will utilise the role of the internal audit function to provide assurance of compliance with this policy.

This policy will be reviewed when there are changes in the law, or in accordance with the schedule drawn up by the CFOO and ET and agreed by the Trust Board.

Risk Register

The results of the approach to risk identification, evaluation and management described above will be codified using a Trust-wide risk register.

The Trust Board has adopted a standard (generic) risk register template across the Trust, highlighted in **Appendix 3**

The risk register will be updated as follows:

- Risks will be identified and prioritised at both Trust and Academy level.

- Risks will be reviewed in accordance with the agreed timetable for review of the vision, together with the Trust Board / Individual Academy development plan and budget.

- Significant new opportunities and unforeseen risks will be assessed as and when they arise; and

- Emergency/ Urgent risks may be documented separately for more regular review.

The registers as appropriate will be circulated to all relevant parties so that they are aware of the risk management policy and the controls in place to limit exposure to risk.

Risk will be reported to Trustees three times each year via the Finance, Audit and Risk Committee using the Trust's risk register. This will include any change to the risk profile, plus any new/emerging risks that have been added to the risk register. The Trust's Finance, Audit and Risk committee oversees internal audit, external audit and management as required in its review of internal control; the committee is therefore well placed to provide advice to the Board of Trustees on the effectiveness of the internal control system, including the Trust's system for the management of risk.

An annual report will be produced for the full Board of Trustees, by the Omega MAT Executive Team.

Monitoring - Operational Risks

Risks will be monitored through periodic review of the Strategic Risk Register by the Senior Leadership Team (half-termly) and through line management of risk owners.

Formal reviews of school risk registers are scheduled as part of line management with the Chief Executive Officer.

Risk will be reported to governors three times each year via Local Governing Body meetings using the School's Risk Register. This will include any change to the risk profile, plus any new/emerging risks that have been added to the risk register.

5. ANNUAL REVIEW OF EFFECTIVENESS

The Board of Trustees is responsible for reviewing the effectiveness of risk management based on information provided by the Omega Executive Team. For each significant risk identified, the Board will:

- Review the previous year and examine the Trust's track record on risk management and internal control.
- Consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.

In making its decision the board will consider the following aspects:

- The existing control environment
- The Trust's objectives
- Organisational structure and calibre of the Omega Executive Team
- Culture, approach, and resources with respect to the management of risk
- Delegation of authority
- Public reporting
- On-going identification and evaluation of significant risks
- Timely identification and assessment of significant risks, the prioritisation of risks and the allocation of resources to address areas of high exposure.
- The Trust's commitment and responsiveness with which corrective actions are implemented.
- Quality and timeliness of information on significant risks; and time it takes for control breakdowns to be recognised or new risk to be identified
- Risk appetite
- Monitoring and corrective action

6. POLICY REVIEW

This policy will be reviewed annually and approved by the Board of Trustees.

7. REFERENCES

Charity Commission guidance on Charities and Risk Management

https://www.gov.uk/guidance/charity-commission-guidance

Education & Skills Funding Agency

https://www.gov.uk/government/organisations/education-and-skills-funding-agency

Orange Book – Management of risk principles and concepts

https://www.gov.uk/government/publications/orange-book

APPENDIX 1

Omega Multi-Academy Trust Generic Risks – Multi Academy Trust	
Trust Risk Register	**Examples of Sub-risk Categories**
Trust Level **Corporate and Strategic Risks (Main Categories)** 1. **Academy (Trust) Risk (if any?)** 2. **Brand and Reputational**	 • Brand • Ethics
3. **Strategic and Business**	• Objectives • Change and Change Management • Governance • Business Continuity • Technology • People • Crime and Security • GDPR • Contracts and third-party management • Information Management and Security (Inc cyber) • Health and Safety
4. **Finance and Treasury**	• Financial Control and Reporting • Fraud • Asset Management • Treasury Management (Inc Liquidity) • Performance Management • Financial Planning/ Forecasting
5. **Regulation and Compliance**	• Legal • Regulator - DfE • Regulator - ESFA

Academy - Operational Level **Operational Risks** 1. **Academy Operational**	• Educational Outcomes • OFSTED downgrade • People • Student Welfare and Attendance • Health and Safety • Safeguarding
2. **Brand and Reputational**	• Brand • Ethics
3. **Strategic and Business**	• Objectives • Change and Change Management • Governance • Business Continuity • Technology • People • Crime and Security • GDPR • Contracts and third-party management • Information Management and Security (Inc cyber) • Health and Safety
4. **Finance and Treasury**	• Financial Control and Reporting • Fraud • Asset Management • Treasury Management (Inc Liquidity) • Performance Management • Financial Planning/ Forecasting
5. **Educational Outcomes/ Regulation and Compliance**	• Legal • Regulator - DfE • Regulator - ESFA

APPENDIX 1

Omega Multi-Academy Trust Guidance on Likelihood and Impact Definitions and Risk Score	
Category	**Definition and Risk Rating / Scores**
1 Occurrence Likelihood	• **Imminent - Rating E (Score 5)** About to happen (>75% in year) • **Probable - Rating D (Score 4)** May occur within year (51-75% in year) • **Possible - Rating C (Score 3)** May occur within 3 years (31-50% in year) • **Unlikely - Rating B (Score 2)** May occur with next 5 years (10-30% in year) • **Very unlikely - Rating A (Score 1)** May occur within next 10 years (<10% in year)
Occurrence Impact	• **Score 5 Critical** Loss of operations for more than a week; severe injuries or loss of life; gross failure to meet national/professional standards; major long-term consequences; extensive coverage in press; major financial loss then threatens existence. • **Score 4 Severe** Loss of operations for up to a week; severe injuries; severe financial loss with impact on operations; damage to reputation, local press coverage. • **Score 3 Major** Some disruption to operations for 48-72 hours; short term illness/injuries; some damage to reputation; financial loss than can be managed within overall Trust budget. • **Score 2 Moderate**

Limited short-term disruption to operations; minor injuries/illness; small financial loss.

- **Score 1 Minor**
  Not a noticeable effect on the school; no injuries; no damage to reputation
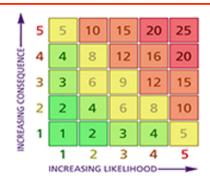
Financial Impact

		Finance & Treasury	
		Trust Level	Academy Level
Critical - Reached risk limit, immediately compromises the ability / licence to operate. Reportable to Board, Appropriate Bodies	5	>£300k	>£150k
Severe - Approaching risk limit, could compromise licence to operate if not addressed. Reportable to Board, Appropriate Bodies	4	>£150k and <£300k	>£75k and <£150k
Major - Outside of appetite but unlikely to compromise the licence to operate. Reportable to Board	3	>£75k and <£150k	>£40k and <£75k
Moderate - Some elements outside of appetite but not entirely. Reportable to Board	2	>£40k and <£75k	>£20k and <£40k
Minor - Within risk appetite, Managed locally - LGB / Exec	1	<£40k	<£20k

APPENDIX 3

Location or School Address:	Date assessment Undertaken
Activity or situation	Review date:

Background information

The Legislation

Guidance

Background information

1) Hazard / Activity	2) Who can be harmed and how?	3) What controls exist to reduce the risk? Have you followed the hierarchy of controls (eliminate, substitute etc)?	Risk Score Consequence X Likelihood	4) Any further action. This should be included in the action plan (5)

						Likelihood			Consequence	
5	5	10	15	20	25	**5**	Very likely		**5**	Catastrophic
4	4	8	12	16	20	**4**	Likely		**4**	Major
3	3	6	9	12	15	**3**	Fairly likely		**3**	Moderate
2	2	4	6	8	10	**2**	Unlikely		**2**	Minor
1	1	2	3	4	5	**1**	Very unlikely		**1**	Insignificant
	1	2	3	4	5					

INCREASING CONSEQUENCE ↑ / INCREASING LIKELIHOOD →

Risk Rating	Action Required
17 - 25	**Unacceptable** – stop activity and make immediate improvements
10 - 16	**Urgent action** – take immediate action and stop activity, if necessary, maintain existing controls vigorously
5 - 9	**Action** – Improve within specific timescales
3 - 4	**Monitor** – but look to improve at review or if there is a significant change
1 - 2	**Acceptable** – no further action but ensure controls are maintained & reviewed

1) List hazards **something with the potential to cause harm** here.

2) List **groups of people who are especially at risk** from the significant hazards which you have identified.

3) List **existing controls here** or note where the information may be found. Use this column to list the controls that you might take and develop all or some of that list into a workable action plan. Have regard for the level of risk, the cost of any action and the benefit you expect to gain.

4) Then try to quantify the level of risk **the likelihood of harm arising** that remains when the existing controls are in place based on the number of persons affected, how often they are exposed to the hazard and the severity of any consequence.

5) Agree the **action plan** with your team leader/manager and make a note of it on the last page. If it is agreed that no further action is to be taken this too should be noted.

	5. Action plan	Responsible	Completed
1			
2			
3			
4			
5			