



Omega Multi-Academy Trust **Risk Management Policy**

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Policy Type	Statutory
Owner	Chief Financial & Operations Officer
Approved By	Trust Board
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Review Date & Summary Changes

September 2022 – 1.1	<p>Amendments have been made to this policy from version 1.0 approved in July 2022:</p> <ul style="list-style-type: none"> - Addition of outline processes for identifying, monitoring and reporting risk - Addition of Risk Appetite to support evaluation of risk <p>Outline of risk scoring mechanism</p>

Signed by:



CEO

Date: 04/10/2022



Chair of Trustees

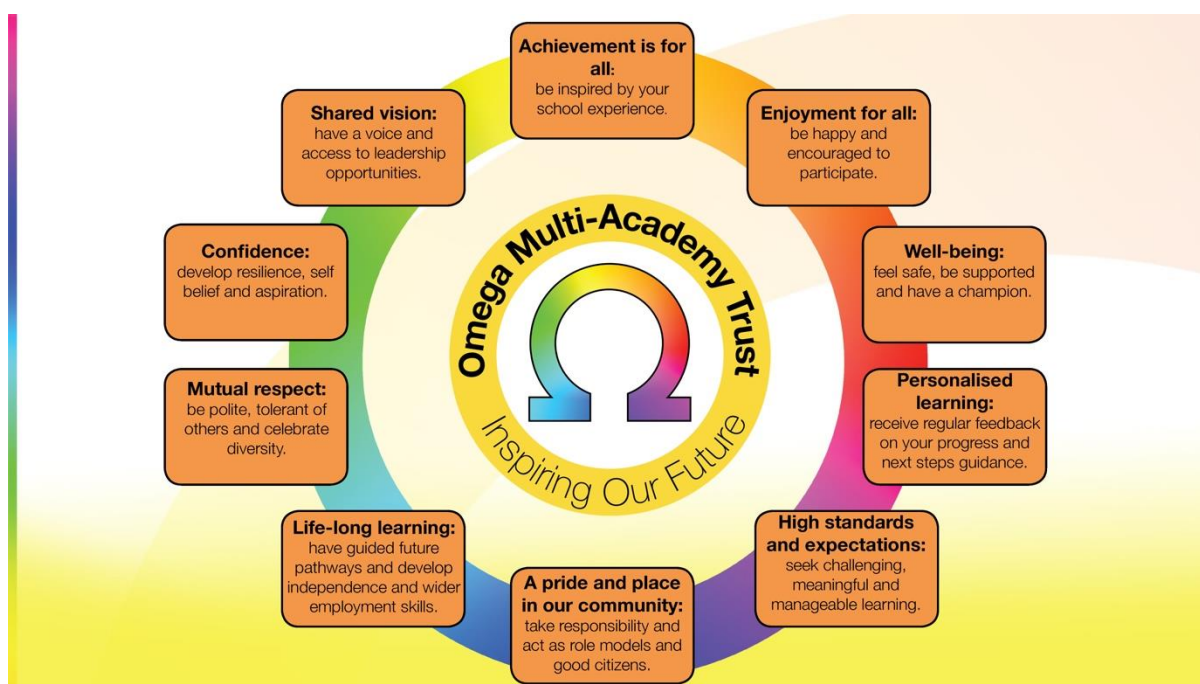
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CONTENTS

1. [Vision and Values](#)
2. [Policy Statement](#)
3. [Policy Objectives](#)
4. [Roles and Responsibilities](#)
5. [Risk identification, monitoring and reporting](#)
6. [Risk Appetite](#)
7. [Risk Score and Appetite Boundaries](#)
8. [Annual Review of Effectiveness](#)

Omega Multi-Academy Trust Mission Statement

The Omega learning community provides excellent teaching and learning with passion and purpose, based on core values, understood by all. Working in a warm and welcoming, yet purposeful environment, our mission is for everyone to be happy and inspired by their school experience. We empower students to harness their own creativity, to raise their aspirations and to achieve their potential. Working together, they gain confidence and pride to take their place in our community.



1. POLICY STATEMENT

Risk management is a disciplined approach to dealing with uncertainty. This risk management policy sets out how Omega Multi-Academy Trust will address threats to its mission, operations, reputation and survival.

This policy is a formal acknowledgement of the commitment by the Trust to risk management. Whilst recognising that it is not always possible to eliminate risk completely, it is vital that every effort is made to manage risk appropriately in order to maximise potential opportunity and minimise the adverse effects of risk. Sound risk management arrangements should be in place across the Trust and each of its constituent schools.

The Trust will adopt, wherever possible, recommended best practice in the identification, evaluation, and cost-effective control of strategic and business risks to ensure, as far as possible, that they are eliminated or reduced to a level that is acceptable to the trust's Board of Trustees, without missing out on important/valuable opportunities.

2. POLICY OBJECTIVES

2.1 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

2.2 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 three-line framework to support the process of risk management
 - Management/Internal Controls
 - Risk Management Strategy/Governance Oversight
 - External Scrutiny (Internal Audit)
- 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.

3. ROLES AND RESPONSIBILITIES

3.1 Board of Trustees

The board of trustees, with the advice of the finance, audit and risk committee, has the responsibility for overseeing risk management within the trust as a whole. Its role is to:

- Set the tone and influence the culture of risk management across the Trust
- Determine what types of risk are acceptable and which are not
- Approve major decisions affecting the trust's risk profile or exposure

3.2 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:

- Monitor the management of risk through frequent review of the Trust's risk register
- Satisfy itself that risk control measures are in place and working effectively for all risks
- Conduct an annual review of the trust's approach to risk management and approve significant changes or improvements to key elements of its processes and procedures.

3.2 Local Governing Bodies (LGB)

The Local Governing Body for each constituent school have the delegated responsibility for oversight of the risk register for their school. Its role is to:

- Monitor the management of risk through frequent review of their constituent school's risk register
- Satisfy itself that risk control measures are in place and working effectively for all risks
- Refer any significant unacceptable risk to Trustees via the LGB Chair's Report.
- Conduct an annual review of the school's approach to risk management and approve significant changes or improvements to key elements of its processes and procedures.

3.3 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 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

3.4 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.

3.5 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.

3.6 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.

3.7 Employees

All employees are responsible for ensuring that they are aware of, and understand Trust/School processes and procedures. In particular, leaders and

line-managers need to understand and manage the risks related to their particular area of activity; in most circumstances, this will mean that they assume the risk owner role too.

4. RISK IDENTIFICATION, MONITORING AND REPORTING OF RISK

4.1 Omega MAT Risk Register

Risks will be identified by the Chief Finance and Operations Officer in consultation with the Omega Executive Team. These will be recorded within the Trust's Strategic Risk Register. Owners for each risk will be allocated who will ensure appropriate mitigation is implemented and is in-keeping with the Trust's Strategic Plan.

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

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. An annual report will be produced for the full Board of Trustees.

4.2 Schools' Risk Registers

Risks will be identified by the Headteacher/Business Manager in consultation with the schools' Senior Leadership Team. These will be recorded within the School's Strategic Risk Register. Owners for each risk will be allocated who will ensure appropriate mitigation is implemented and is in-keeping with the School's/Trust's Strategic Plan.

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.

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.

4.3 Internal Controls

Risk management is part of the Trust's system of internal control. The following elements meet the overall requirement for internal control and support the Trust's response to risks:

- Policy and procedures – attached to significant risks are a series of policies/procedures that underpin the internal control process (for example, financial regulations); these policies/procedures are set by the board of trustees and implemented by executives/managers.

- Defined management structure with clear roles and responsibilities.
- School Business Planning (Budgeting) and Budget Performance Review meetings; the processes that are used to set objectives, agree action plans, monitor progress and delivery, manage performance and allocate resources.
- Each school is required to consider risks on a regular basis – the outcomes feeding into the appropriate risk register for review at Local Governing Body meetings and in line management meetings.
- Trust risk register (top/significant risks only) is compiled by the risk management group (Omega Executive Team) and owned by the Chief Finance and Operations Officer (CFOO). It facilitates the identification, assessment and monitoring of risks significant to the Trust. The document is formally reviewed by the Executive Team on a half-termly basis. New/emerging risks are added as required. Risk is a standing agenda item at Omega Executive Team meetings.
- School risk registers are compiled as shown below:

Risk Register	Governance Owner	Risk Owner
Omega MAT (Trust Risk Register)	Trust Finance, Audit and Risk Committee	Trust Chief Finance and Operations Officer (CFOO)
Alsop High School	AHS Local Governing Body	Headteacher
Burtonwood Community Primary School	BCPS Local Governing Body	Headteacher
Chapelford Village Primary School	CVPS Local Governing Body	Headteacher
Great Sankey High School	GSHS Local Governing Body	Headteacher
Park Road Primary School	PRPS Local Governing Body	Headteacher
Westbrook Old Hall Primary School	WOHPS Local Governing Body	Headteacher

- Each school is required to maintain their own risk registers using the WeAreEvery system. These registers are intended primarily for use as management tools for identifying and controlling local risks; new/emerging risks are added as required. Formal reviews of school risk registers are scheduled as part of line management with the Chief Executive Officer.
- Three-line risk assurance framework– this provides a framework to identify key risk areas, the assurance about controls and risk management that is in place and the areas where further assurance is necessary.
- 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.
- Internal audit programme – programme of audit activity is agreed annually by the Finance, Audit and Risk Committee
- External Audit (internal financial control, including risk and regularity)

- Third party reports (specialist consultancy in specific areas, as determined by trustees, governors, and/or executives).

5 RISK APPETITE

The success of the Trust relies on effective delivery against its mission, values and strategic aims. The Trust accepts an element of risk in almost every activity it undertakes. The critical question in establishing the Trust's risk appetite is "How willing is the Trust to accept risk related to each proposed action (or inaction)?"

Risk appetite is defined as the Trust's willingness to accept risk in pursuit of its objectives. Risk itself is neither positive nor negative but the outcome of taking risks can be to realise an opportunity or alleviate threats. The establishment of the Trust's risk appetite is intended to guide Trustees, governors and employees in their actions and ability to accept and manage risks. The Trust will formally establish and communicate its risk appetite (see Appendix 1) through the risk management framework.

5.1 Risk appetite description:

Trustees have agreed the following levels of risk appetite

LEVEL	DESCRIPTION	SCORE
LOW	Low appetite for risk; ultra-safe/risk averse. Only safe options considered.	Below or equal to 4
MEDIUM	Medium appetite for risk; preference for safe options but accept there may be some risk exposure.	Between 4 and 12
HIGH	High appetite for risk; eager to be innovative and consider all potential options recognising there may be significant exposure to risk.	12 and Above

5.2 Risk appetite themes/activities:

The following themes /activities will be used when considering risk appetite.

Risk Theme	Descriptor	Risk Appetite
Finance: Financial management, investment, safeguarding assets, solvency, sources of funding	Omega MAT will have a split appetite to Finance risks:	
	The Trust will accept MEDIUM RISK when investing, identifying & securing new sources of funding.	MEDIUM
	The Trust will accept LOW RISK when managing business as usual finance risks such as safeguarding assets and solvency, accepting that risk may exist, however the controls must always be appropriate and effective.	LOW

People: Culture, learning and development, well-being	Omega MAT will have a split appetite to People risks (excluding risks linked to safety; see Safety and Security):	
	The Trust wants to be innovative in its people functions in order to be a “great place to work”, therefore, the Trust will accept MEDIUM RISK towards culture, learning and development.	MEDIUM
	For risks that may impact upon the well-being of people we shall be cautious, accepting LOW RISK. Risks may always exist but the Trust will try to ensure that all reasonable measures are in place to protect our people.	LOW
Adaptability: Ability to adapt and respond to external changes	If the Trust and each of its schools are to be successful, then it must be able to adapt to an ever-changing and evolving operating environment. To do this, the Trust will be open and willing to accept MEDIUM RISK.	MEDIUM
Trust and Confidence: Community, reputation, political	Having the Trust and Confidence of stakeholders is vital, so to highlight the importance and complexity the Trust will have a split appetite.	
	The Trust will be open to exploring all potential options where opportunities exist that will build and enhance the confidence and or trust that stakeholders have in the Trust.	MEDIUM
	The Trust shall be cautious to any risk that may harm that confidence and/or trust including and short or long-term damage to reputation	LOW
Quality and standards: Education and experience	The Trust and each of its constituent schools must ensure that quality is inherent in everything we do. There is the need to split risk appetite in this area.	
	We will be open and willing to explore all options to innovate, evolve and look at new ways of working that will build on quality.	MEDIUM
	If, however, the Trust or its constituent schools are looking to change something that is successful and working well, we shall be cautious which means we prefer to remain safe and steady. If the benefits are greater, we will accept some risk exposure.	LOW
Collaboration and Partnership: Internal and external	In order to build an inclusive and sustainable education system, the Trust is open and willing to consider all potential options for collaboration and partnership,	MEDIUM

	recognising and accepting that there may be some risk exposure.	
Growth: Sustainable and strategic	The Trust is open and willing to consider all potential options, recognising and accepting that there may be risk exposure. Each opportunity for growth should consider all categories of risk exposure, ensuring that these have been considered and accepted in line with our overall risk appetite.	MEDIUM
Infrastructure investment: IT and Estates	To deliver educational and operational effectiveness requires ongoing investment in both IT and Estates. The Trust shall be cautious, considering all potential options regarding investment but accepting there may be some risk exposure.	LOW
Resilience: Organisational, IT and Estates	The Trust and each of its constituent schools must ensure that organisational resilience is inherent in everything we do. There is the need to split risk appetite in this area.	
	Regarding risks relating to the physical operating environment of the Trust and its constituent schools, the Trust will be open to managing those risks, accepting a level of risk exposure that will be managed through specific control measures.	MEDIUM
	Risks relating to people in the context of resilience of the Trust and its constituent schools, the trust will be cautious in managing those risks, always seeking the safest environment (lowest manageable risk level) but accepting that by its nature, there may always be a level of risk exposure.	LOW
Safety & Security Safeguarding, Health and Safety, Cyber Security	<p>The Trust, and each of its constituent schools are naturally risk averse with regard to safety and security and will always aim to do everything reasonable and practicable to manage these risks. However, in practice to be risk averse may prevent students from gaining valuable skills and experience. This could affect their future potential, and so the Trust accepts situations that could impact safety and security will inherently carry a level of risk exposure (such as educational trips and visits, adventurous activity, scientific experiment).</p> <p>To balance the risk and opportunity in an appropriate manner, the Trust, and each school shall be cautious in our risk appetite and in doing so will always look for the safest route and aim for lowest manageable risk level.</p>	LOW

6 RISK SCORE AND APPETITE BOUNDARIES

6.1 Risk scoring

Risk analysis is carried out in a consistent manner, based on a simple scoring system (1 to 4) related to probability and impact. The significance of the risk is calculated automatically by multiplying the probability score by the impact score. This gives an indication of the size of the gross risk to the Trust and/or school, without consideration of any existing controls in place. A similar calculation is made to determine the net risk, which is a score that reflects the probability and impact with existing controls in place. The target risk score reflects the probability and impact that will be achieved once all risk actions are in place as existing controls.

Probability

A rating, on a 1 to 4 scale, appears on each risk register. When assessing a specific risk, the following definitions must be considered:

Score	Description	Definition
1	Improbable	Risk is unlikely to occur; less than 1% chance
2	Remote	Risk will probably never happen, but could occur; more than 1% chance, but less than 20% chance
3	Possible	Risk is likely to occur; more than 20% chance but less than 50% chance
4	Probable	Risk probably will occur; more than 50% chance

Impact:

A rating, on a 1 to 4 scale, appears on the risk register. When assessing specific risk, the following definitions must be considered:

Score	Description	Definition
1	Tolerable	Some noticeable impact but little effect on day-to-day operations if not controlled; costs of implementing planned controls can be met from approved budget and agreed priorities, up to 0.5% of income. Impact on small number of staff (up to 5) or students (up to 5). Minor adverse publicity, no regulatory consequence, minor reversible injury.
2	Moderate	Substantial effect, but not threatening to overall sustainability. Some additional action required with significant investment, impact on up to 2% of income. Impact on substantial number of staff (between 5 and 10) or students (between 5 and 15). Local adverse publicity, limited regulatory consequence, major reversible injury.
3	Severe	Serious threat to the sustainability and viability of the Trust/School. Immediate action required to address

		issues with possible major investment. Impacts significant proportion of income (up to 15%). Impacts a substantial number of staff (between 10 and 30) or students (between 15 and 30). Negative headlines in national media. Significant regulatory consequence. Irreversible injury.
4	Catastrophic	Significant threat to the future of the Trust/School; major long-term impact. Impacts more than 15% of revenue, more than 30 staff or students. Sustained negative headlines in national media. Substantial regulatory consequence. Multiple irreversible injury or death.

6.2 Risk appetite boundaries

To enable translation of the risk appetite into the scoring methodology, the tolerance for each risk appetite has been plotted on the matrix below to demonstrate when a risk is acceptable (within tolerance) and when it is not (outside tolerance).

		Impact			
		1	2	3	4
Probability	1				
	2				
	3				
	4				

Key: GREEN = Low Risk; AMBER = Moderate Risk; RED = High/Significant Risk

7 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

8 REVIEW

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