

Risk Management Policy

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Last review date:	November 2020			
Next Review date:	November 2021			
Review Cycle:	Annually			
Statutory Policy:	No			
Publication:	Website. G/Policies			
Date	Version	Reason for change	Overview of changes made	Source
03.11.20	0.1	Scheduled Review	Update of name and logo. J Bowman.	SCC
10.11.20	0.2	Scheduled Review	Internal Lead review - No changes made. S Cole	
10.11.20	0.3	Scheduled Review	Board Lead review - Referred to FAR meeting. C Bradshaw Smith	
22.01.21	0.4	Scheduled Review	Amended by FAR panel. Additions to Section 3.	
26.02.21	1.0	Scheduled Review	Ratified by Board	

1. Purpose of this document

This risk management policy (the policy) forms part of the Trust's internal control and corporate governance arrangements.

The policy explains the Trust's underlying approach to risk management, documents the roles and responsibilities of the Board of Directors and the Members, and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures.

In addition, it describes the process the Board of Directors will use to evaluate the effectiveness of the Trust's internal control procedures.

2. Underlying approach to Risk Management

The following key principles outline the Trust's approach to risk management and internal control:

- The Board of Directors has responsibility for overseeing risk management within the multi academy trust as a whole.
- An open and receptive approach to solving risk problems is adopted by the Board of Directors.
- The Chief Executive Officer and Senior Leadership Team support, advise and implement policies approved by the Board of Directors.
- The Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks. Each paper to the Board of Directors is required to include a section on any key risks in relation to the proposal.
- Key risk indicators will be identified and closely monitored on a termly basis by the Board of Directors.

3. Role of the Board of Directors

The Board of Directors has a fundamental role to play in the management of risk. Its role is to:

Roles	Agreed Responses
a) Set the tone and influence the culture of risk management within the Trust. This includes:	
<ul style="list-style-type: none">● determining whether the Trust is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue;	The Trust is Risk Averse, while recognising we are an open and dynamic Trust that can never remove all risk. We proactively manage risks on an individual basis at the time they arise, through experience and consultation

<ul style="list-style-type: none"> determining what types of risk are acceptable and which are not 	<p>Unacceptable risks are outlined in our comprehensive policies, including:</p> <ul style="list-style-type: none"> Financial Health and Safety Children and staff welfare Safeguarding
<ul style="list-style-type: none"> setting the standards and expectations of staff with respect to conduct and probity 	<p>Via the following Policies:</p> <ul style="list-style-type: none"> Directors Code of Conduct Employee Handbook Harassment & Bullying Policy Performance Management Policy Staff Behaviour Policy
<p>b) Determine the appropriate risk appetite or level of exposure for the Trust.</p>	<p>The Trust is Risk Averse, as detailed in point a above</p>
<p>c) Approve major decisions affecting the Trust's risk profile or exposure.</p>	<p>Via the following Policies:</p> <ul style="list-style-type: none"> Accounting Policy Finance Policy Scheme Of Delegations Risk Management Policy
<p>d) Monitor the management of significant risks to reduce the likelihood of unwelcome surprises.</p>	<p>Via regular Board Meetings and/or Risk Register Review Meetings, including a comprehensive line by line audit of the Risk Register every 12 months.</p>
<p>e) Satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.</p>	<p>Via Board Meeting or Risk Register Review Meeting. This is also included in the annual Trust audit</p>
<p>f) Annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures.</p>	<p>This is done at board meetings, especially the FAR meeting, as above with a 12 month line by line Risk Register review</p>
<p>g) Review and evaluate the key risks identified by the Board.</p>	<p>Via the Risk Register held dynamically on the school servers</p>
<p>h) Review the Trust's Risk Register on a termly basis.</p>	<p>Via Board Meeting or Risk Register Review Meeting as above</p>
<p>i) Report annually on the Trust's systems of internal control and Risk Register.</p>	<p>Via the Annual Report</p>

j) Monitor the work of internal and external audit in respect of risk.	Via the Audit Terms of Reference
k) Develop and implement policies on risk management and internal control.	Via the Risk Management Policy

4. Risk Management as part of the system of internal control

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Trust to respond to a variety of operational, financial, and commercial risks. These elements include:

Policies and procedures

Attached to significant risks are a series of policies that underpin the internal control process. The policies are set by the Board and implemented and communicated by senior leaders to staff. Written procedures support the policies where appropriate.

Termly reporting

Termly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Board of Directors.

Business planning and budgeting

The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly.

High level risk framework (significant risks only)

This framework is compiled by the Board of Directors and helps to facilitate the identification, assessment and ongoing monitoring of risks significant to the Trust. The document is formally appraised annually by the Board of Directors but emerging risks are added as required, and improvement actions and risk indicators are monitored.

Risk Register

The document is formally appraised each term but emerging risks are added as required, and improvement actions and risk indicators are monitored regularly.

Internal audit programme

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the Trust.

External audit

External audit provides feedback to the Board of Directors on the operation of the internal financial controls reviewed as part of the annual audit.

Third party reports

From time to time, the use of external consultants will be necessary in areas such as health and safety, and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

5. Annual Review of effectiveness

The Board of Directors is responsible for reviewing the effectiveness of internal control of the Trust.

For each significant risk identified, the Board of Directors 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 of Directors will consider the following aspects.

a) Control environment:

- the Trust's objectives and its financial and non-financial targets;
- organisational structure and calibre of the Members;
- culture, approach, and resources with respect to the management of risk
- delegation of authority;
- public reporting.

b) On-going identification and evaluation of significant risks:

- timely identification and assessment of significant risks;
- prioritisation of risks and the allocation of resources to address areas of high exposure.

c) Information and communication:

- quality and timeliness of information on significant risks;
- time it takes for control breakdowns to be recognised or new risks to be identified.

d) Monitoring and corrective action:

- ability of the Trust to learn from its problems;

- commitment and speed with which corrective actions are implemented.
- internal control/audit will be monitored termly by the Board of Directors.