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challenge:  
expect  
excellence**

## **Daubeney Academy**



# Risk Management Policy and Framework

|                      |                           |
|----------------------|---------------------------|
| Date approved:       | 4 <sup>th</sup> June 2020 |
| Approved by:         | CMAT Board                |
| Date of next review: | June 2021                 |



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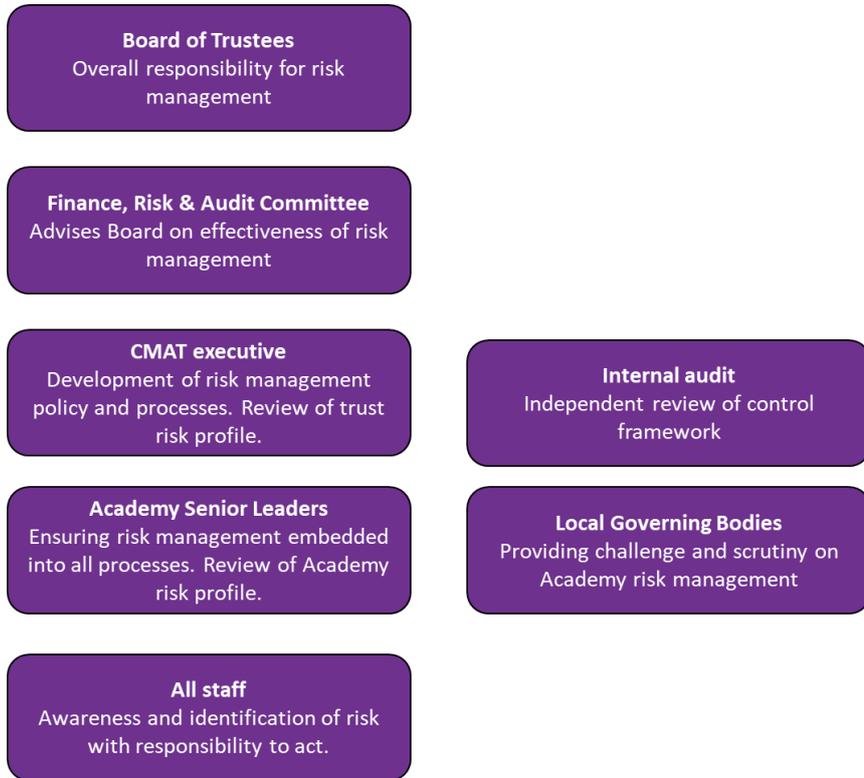
## **1. Statement of intent**

- 1.1. The purpose of this document is to outline The Challenger Multi Academy Trust's risk management policy and framework.
- 1.2. "Risk" is defined in this policy as the threat that an event, action or omission that will adversely affect our ability to meet our strategic objectives and deliver education successfully.
- 1.3. This document will enable those responsible for risks to better identify, assess and control risks within their areas to help ensure the risk management process is understood.

## **2. Risk Appetite Statement**

- 2.1. The Trust accepts implementation of strategy results in some inevitable level of risk. Effective risk management increases the probability of successful outcomes whilst protecting the reputation and sustainability of the Trust. This is particularly important when delivering the Character Agenda and providing students with opportunities to "learn outside of the classroom".
- 2.2. While the Trust will tolerate a degree of risk in its operations, it is extremely risk averse towards the following risks:
  - Safeguarding breaches
  - Compliance breaches
  - Non-achievement of agreed pupil outcomesAs a result, avoiding these risks will take priority over any other strategic objectives.

### 3. Roles and Responsibilities



- 3.1. The Board of Trustees 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 Trustees should ensure that:
- The identification, assessment and mitigation or control of risk is linked to the achievement of CMAT’s vision and strategic goals.
  - The process covers all areas of risk and is focused primarily on major risks
  - The process produces a risk exposure profile that reflects the Trustees’ views as to levels of acceptable
  - 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
- 3.2. The Board of Trustees is also responsible for overseeing the development and implementation of the risk management strategy. This responsibility is delegated to the Finance, Risk and Audit Committee to manage.
- 3.3. The Trust’s Executive team is responsible for ensuring that the risk management policy is implemented and for co-ordinating risk management activity across the trust. The Executive team will provide a bi-annual report on risk management to the Finance, Risk and Audit Committee. This responsibility is delegated to the Head of Operations.

- 3.4. The Executive should support Heads of School in developing their risk registers and review the Academy risk registers at least twice a year. The executive should incorporate Academy risks into the Trust risk register where appropriate, in particular:
  - Where the residual risk is very high (scoring 15 or more)
  - Where similar risks are present in multiple Academy risk registers, suggesting a common issue which would benefit from central oversight.
- 3.5. The Internal Audit function will review the risk management framework and advise the Finance, Risk and Audit Committee on its effectiveness.
- 3.6. The External Auditors will provide assurance to the Board on internal controls as they relate to the Annual Report and Accounts.
- 3.7. Heads of School and Senior Leadership Teams within CMAT Academies are responsible for ensuring risk management is embedded into Academy operations. They have day to day responsibility for ensuring:
  - Risks are correctly evaluated
  - Key risks are managed appropriately including the effectiveness of controls
  - The risk management framework is operating effectively
  - There is regular reporting on the status of key risks and controls.
- 3.8. Local Governing Bodies are responsible for providing scrutiny and challenge to Academy Senior Leadership Teams on risk management procedures.
- 3.9. Key Risk Owners are responsible for reviewing the risk status, assessing the effectiveness of controls, and agreeing next actions. Each risk will have two Key Risk Owners, depending on whether it is an Academy or Trust level risk:
  - a member of the Local Governing Body or the Finance, Risk and Audit Committee
  - a member of Academy Senior Leadership or the CMAT Executive; this person has operational responsibility for managing the risk and liaising with control owners.
- 3.10. Control owners are responsible for reviewing, refining and implementing key controls and reporting on progress to risk owners.

#### **4. Risk Management Framework**

- 4.1. The risk management process involves the following procedures:
  - Risk identification
  - Risk assessment
  - Risk management
  - Risk reporting
- 4.2. These procedures are covered in the risk register. Each Academy should hold their own risk register, in addition to a central Trust risk register. The risk register should cover all key risks.

- 4.3. The Trust risk register is reviewed at least twice a year by the Finance, Risk and Audit Committee.
- 4.4. The Academy risk register is reviewed at least twice a year by the Local Governing Body.

## 5. Risk Identification

- 5.1. The process of risk identification will involve senior leaders from across the Trust. Consideration will be given to the following factors:
  - The CMAT mission, vision and values
  - The nature of current and planned activities
  - External factors such as legislation and regulation
  - Operating structures

## 6. Risk Assessment

- 6.1. Risks are assessed in the context of the scale of risk associated with each. This involves considering:
  - the likelihood of the risk occurring
  - the severity of consequences should the risk occur.
- 6.2. The likelihood and impact scores are then multiplied to provide a risk score, which is graded red, amber, or green.

|                   | Minimal impact | Minor short term impact | Significant short term impact | Significant longer term impact | Fundamental to operations |
|-------------------|----------------|-------------------------|-------------------------------|--------------------------------|---------------------------|
| Very unlikely     | 1              | 2                       | 3                             | 4                              | 5                         |
| Unlikely          | 2              | 4                       | 6                             | 8                              | 10                        |
| Moderately likely | 3              | 6                       | 9                             | 12                             | 15                        |
| Very likely       | 4              | 8                       | 12                            | 16                             | 20                        |
| Extremely likely  | 5              | 10                      | 15                            | 20                             | 25                        |

## 7. Risk Management

- 7.1. Having assessed the risk, the next step is to identify, evaluate and develop the controls in place to manage the risk.

- 7.2. More complex risks may have multiple controls. Each individual control should have a “control owner”, who is responsible for ensuring its effectiveness.
- 7.3. Each control should be assessed on both the effectiveness of its design and the effectiveness of its implementation. The risk register should also outline sources of assurance available.
- 7.4. Taking to account the controls in place, the risk is re-assessed to find the level of ‘residual risk’, using the same likelihood and impact matrix used before. The action to be taken will depend on the level of residual risk.

| <b>Residual risk score</b> | <b>Action to be taken</b>   |
|----------------------------|---|
| 15+                        | Immediate action required   |
| 7-14                       | Evaluate effectiveness of current controls and actions and implement any improvements necessary before next review period |
| 1-6                        | Limited actions, incorporate into current plans.  |

## **8. Risk Reporting**

- 8.1. The risk register should be reviewed and updated on a regular basis by leadership teams to ensure it is up-to-date, reflects current key risks and that actions are implemented.
- 8.2. Risk Registers should also be reviewed by Local Governing Bodies (for Academy risk registers) and the Finance, Risk and Audit Committee (for the central Trust) at least twice a year.

## **9. Policy Monitoring and Review**

- 9.1. The CMAT Board of Trustees will review this policy every year, ensuring that all procedures are up-to-date.
- 9.2. Any changes made to this policy will be communicated to all members of staff.