

Risk Management Policy

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Checked for compliance?	DDA Race Equality Academies Financial Handbook Governance Handbook
Policy Originator/Contact:	COO
Approved by:	Governing Board / Board of Trustees

Risk Management Policy

Purpose of the Policy

- 1. Taking risk management seriously is a priority for Humber Education Trust. The Risk Management Policy forms part of the organisation's internal control & scrutiny and governance arrangements. It is designed to provide assurance that the organisation 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 and to meet expectations of the Department for Education/ESFA as detailed in the Governance Handbook and Academies Financial Handbook.
- 2. The policy explains the organisation's approach to risk management to ensure its effective operation.
- 3. The policy should be read in conjunction with the Trust's Risk Register sets a framework for the management of risks and identifies roles and responsibilities of Trust/School leaders in the management of those risks.

Aims and approach to risk management

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. These are categorised as Critical, Significant, Difficult, Moderate, Low
- 2. Assess the likelihood of such risks occurring (Unlikely, Possible, Likely, Very Likely, Certain) and the potential impact of such occurrences (Low, Moderate, Difficult, Significant, Critical) with particular reference to the areas of finance risks, strategic and reputational risks, compliance and operational risks.
- 3. 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.

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

- 1. The Trust has responsibility for overseeing risk management within the institution as a whole.
- 2. The Trust carries out this responsibility through the Audit Committee.
- 3. An open and receptive approach to solving risk problems is adopted by the Trust.
- 4. Key risk indicators are identified and closely monitored on a regular basis at Trust level. The Trust wide risk register is updated on a termly basis.
- 5. Senior Trust Leaders review the Trust's Risk Register and Action Plan on a monthly basis and it is a standing item of all Audit Committees.

- 6. The Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- 7. 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.

Risk Key						HumberEdu	ıcationTrust		
over 9	Critical	Exterr	External Support required to reduce Risk level (Auditors / Legal / DfE / ESFA)						
7 to 8	Significant	CEO/1	CEO/Trustee intervention - frequency of reporting to Trustees increases						
5 to 6	Difficult	CEO t	CEO to report to Trustees with Strategy to reduce Risk level						
3 to 4	Moderate	Key Tı	Key Trust Leader to monitor						
1 to 2	Low	Key Tı	Key Trust Leader to monitor						
Probability			Impact						
1	Unlikely	1	Low						
2	Possible	2	Moderate						
3	Likely	3	Difficult						
4	Very Likely	4	Significant						
5	Certain	5	Critical						
Risk Categories:									
1. Strategic & Reputational		nal							
2. Operational									
3. Compliance									

- 8. All colleagues within the Trust are encouraged to be involved in the risk management process.
 - Financially termly budget reviews with the COO as well as monthly reporting into the trust in respect of cash flow and budget actual spending
 - Health & Safety schools produce termly reports to their LGB which the trust sees a copy of as well as compliance managed through the trust training, audit and compliance systems. Larger scale capital risks are managed through conditions surveys, regular site inspections and SCA applications.
 - Safeguarding collected through school reviews, single central record centrally accessed for schools, CPOMs data.
 - HR risks Browne Jacobson will produce a risk report at least termly to present to Trustees. Central leadership will be involved with decision making around higher impact staffing processes and cases.
 - Educationally ongoing reporting, school reviews, deep dives, school to school support and other such information gathering/evaluations.
- 9. The Trust has procedures for whistleblowing, to protect staff who report individuals they believe are doing something wrong or illegal. Staff know what protection is available to them if they report someone, what areas of malpractice or wrongdoing are covered in the Trust's whistleblowing procedure, and who they can approach to report a concern. The Trust must ensure all concerns raised with them by whistle-blowers are responded to properly and fairly.

Additional Information and Resources

Academies Financial Handbook 2020

For academy members, trustees, accounting officers, chief financial officers and auditors published June 2019

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/811261/Academies_Financial_Handbook_2019.pdf

Governance Handbook 2019

For academies, multi academy trusts and maintained schools published March 2019 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/788234/governance_handbook_2019.pdf