

# **Risk Management Policy**

## **2022-23**

Agreed by Audit and Risk Committee on 07 December 2022  
To be reviewed annually

The Risk Management Policy forms part of The Tapscott Learning Trust's internal control and corporate governance arrangements. It is designed to provide assurance that the Trust has adopted best practice in this area.

## INTRODUCTION

Risk management is the process whereby the Trust methodically addresses the risks attaching to its objectives and associated activities with the goal of achieving sustained benefit within each activity and across the whole range of activities.

Risk management will be aimed at ensuring that the Trust achieves its objectives in the most effective way and those resources are directed at those objectives. It will not be seen as a separate exercise but as the means of best achieving the Trust's objectives.

The Trust is committed to effectively identifying and assessing risks, evaluating the action that it needs to take to manage those risks and ensuring there is periodic monitoring and assessment.

This risk management policy has been designed to provide a framework for managing the risks the Trust faces and ensuring its objectives are achieved in the most effective way.

It has been designed for use by all members of the Trust and it serves to:

- Communicate the strategies for managing risk in the Trust
- Establish procedures which should be adopted in the risk management process

The risk management policy scope is:

- Corporate risk register
- Corporate Business Continuity Plan (see Appendix A)
- Individual school's Business Continuity Plans

This policy sets out the key principles underpinning the Trust's approach to:

- risk management
- document roles and responsibilities
- outlines key aspects of the risk management process
- identifies reporting procedures

## THE AIMS AND OBJECTIVES OF RISK MANAGEMENT

The Trust's overall risk management plan is aimed at:

- Significant strategic and operational risks in the Trust's current context are known and monitored, enabling informed decisions and timely action to be taken
- Risks are identified and assessed at a formative stage as future opportunities arise
- The Trust's vision, strategies and plans are achieved more successfully

This aims and objectives will be achieved by:

- Establishing and maintaining a risk management organisational structure to act in an advisory and guiding capacity which is accessible to all Trust members
- Maintaining documented procedures for the control of risk
- Providing suitable information, training and supervision
- Maintaining effective communication and the active involvement of all Trust schools
- Maintaining an appropriate incident reporting and recording system, with investigation procedures to establish cause and prevent recurrence

- Monitoring arrangements on an ongoing basis

## **THE POTENTIAL BENEFITS OF RISK MANAGEMENT**

Effective risk management protects and adds value to the Trust and its stakeholders through supporting the Trust's objectives by:

- Improving decision making, business planning and prioritisation by comprehensive and structured understanding of the wider business environment
- Supporting more efficient allocation and use of resources within the Trust
- Enhancing communication between schools and services
- Protecting and enhancing Trust assets and image
- Developing and supporting staff and the Trust's knowledge base
- Helping to focus the internal audit plan

## **THE STRUCTURE AND ADMINISTRATION OF RISK MANAGEMENT**

### **Members of the Trust**

The Members of the Trust will review this policy and monitor effectiveness to ensure risk is managed appropriately across the Trust and its schools. The Members will decide the Trust's desired Trust profile, approve major decisions which affect that profile and ensure that the Trust learns from its response to risk.

### **Trust's Audit and Risk Committee**

The committee oversees internal controls, internal assurance and external audit across the Trust. It will monitor the implementation of this policy and advise the Members about the effectiveness of the risk management approach.

### **Head teachers / Local Advisory Boards**

The head teachers / local advisory boards will be involved in identifying risks, assessing and managing risk relevant to their schools and discusses with the Risk Manager for inclusion to school risks section of the risk register.

### **Risk owner**

This is the person who has responsibility for ensuring any actions identified to manage the risk are effectively implemented.

## **RISK IDENTIFICATION**

The Trust identifies risks across a number of categories including:

- Strategic risks - concern the long-term strategic objectives of the Trust. These include governance and performance, e.g. forward planning, reporting, strategy, pupil outcomes, safeguarding and inspection. They can be affected by such areas as capital availability, legal and regulatory changes and reputation.

- Operational risks - concern the day-to-day issues that the organisation is confronted with as it strives to deliver its strategic objectives, e.g. contracts, suppliers, employment, health and safety, IT, business continuity.

- Financial risks - concern the effective management and control of the finances of the Trust and the effects of external factors such as budgetary control, reserves, cash flow, investment, procurement, fraud.

- Compliance risks - concern such issues as health and safety, environmental, employment practices and regulatory issues.

- PESTLE – changes from the political, environmental, social, technological, legal and economic environment.

- School Risks – risks that affect schools specifically. This is a separate risk assessment document that includes risks associated with the daily running of the school.

Each risk should be assessed and rated in terms of the probability of occurrence and potential impact on the Trust, taking into consideration the control measures already in place to manage the risk.

## **RISK ESTIMATION (ASSESSING LIKELIHOOD AND IMPACT)**

Once identified and assessed any risks requiring treatment should be recorded in a single risk register for the Trust.

Identified risks are considered in terms of the potential significance of their impact and likelihood that they will happen. This helps the Trust to prioritise risks and decide whether any further action is required to manage them.

Not all risks will affect the schools with the same impact, and some are far more likely to occur within the Trust than others. For example, there is perhaps low likelihood of fire in a school building but there would be significant disruption if the building was burnt down. There may be greater likelihood of petty thefts across the schools and the Trust suffers from this regularly.

Clear responsibilities should be allocated to all proposed actions, along with a deadline for the action to be completed and a scheduled date for review.

Any risks that are assessed as having a high impact or a high probability will be considered in more detail and may be included within the Corporate Business Continuity Plan.

The impact of risk is judged according to the following scale:

DESCRIPTOR	RATING	IMPACT INDICATORS
Negligible	1	<ul style="list-style-type: none"> <li>No impact on service</li> <li>No impact on reputation</li> <li>Complaint unlikely</li> <li>Litigation risk remote</li> </ul>
Very Low	2	<ul style="list-style-type: none"> <li>Slight impact on service</li> <li>Slight impact on reputation</li> <li>Complaint possible</li> <li>Litigation possible</li> </ul>
Low	3	<ul style="list-style-type: none"> <li>Some service disruption</li> <li>Potential for adverse publicity, avoidable with careful handling</li> <li>Complaint probable</li> <li>Litigation probable</li> </ul>
Medium	4	<ul style="list-style-type: none"> <li>Service disrupted</li> <li>Adverse publicity not avoidable (local media)</li> <li>Complaint probable</li> <li>Litigation probable</li> </ul>
High	5	<ul style="list-style-type: none"> <li>Service interrupted for significant time</li> <li>Major adverse publicity not avoidable (national media)</li> <li>Major litigation expected</li> <li>Resignation of Members</li> <li>Loss of Department for Education / Education and Skills Funding Agency confidence</li> </ul>
Very High	6	<ul style="list-style-type: none"> <li>Service closed for a significant time</li> <li>Death</li> <li>DfE intervention</li> <li>Immediate non-compliance</li> </ul>

For each of the risks assess the likelihood of their occurrence on the following scale:

Descriptor	Rating	Impact indicators
Extremely unlikely	1	May only occur in exceptional circumstances
Unlikely	2	Expected to occur in a few circumstances
Moderately unlikely	3	Expected to occur in some circumstances
Very likely	4	Expected to occur in many circumstances
Highly likely	5	Expected to occur frequently and in most circumstances
Extremely likely	6	Expected to definitely occur

The Trust applies an evidence-based approach that considered risks with a very high impact but very low likelihood of occurrence are of greater priority than risks with a very high likelihood of occurrence and an insignificant impact. Therefore, risk priority is assessed by increasing the weighting of the impact factor as follows:

## Likelihood score multiplied by impact score

Risk priority is interpreted as follows:

- Score of 24 or more: very high priority risk (red)
- Score of 15-24: high priority risk (amber)
- Score of 4–12: priority risk (yellow)
- Score of 4 or less: low priority risk (green)

The impact of a risk and the likelihood of it occurring should be scored using the risk matrix as follows:

### RISK MATRIX

Impact	(6) Very High	Medium	Medium	High	Very High	Very High	Very High
	(5) High	Medium	Medium	High	High	Very High	Very High
	(4) Medium	Medium	Medium	Medium	High	High	Very High
	(3) Low	Low	Medium	Medium	Medium	High	High
	(2) Very Low	Low	Low	Medium	Medium	Medium	Medium
	(1) Negligible	Low	Low	Low	Medium	Medium	Medium
		(1) Extremely unlikely	(2) Unlikely	(3) Moderately unlikely	(4) Very likely	(5) Highly likely	(6) Extremely likely
Likelihood							

### RISK MITIGATION

Once risks have been identified and prioritised, a plan is drawn up for any steps that need to be taken to address or mitigate significant or major risks.

A range of broad strategies is applied by the Trust to manage identified risks by reducing their impact and / or likelihood:

- Tolerate the risk
- Accept the level of risk
- Reduce the probability and/or impact of the risk through treating the risk
- Control measures may be introduced to make it less likely for the risk to become a reality, or to limit the extent of any detriment to the school. It is important that such measures are reasonable, taking account of affordability, value for money and impact on outcomes for children.
- Transfer the risk
- Insurance is a means of transferring those risks that the school cannot eliminate and does not wish to accept. However, while it limits the level of exposure to risk it is not a substitute for active risk management. Insurance premiums can be minimised by effective risk management interventions to reduce risks.
- Terminate the activity that gives rise to the risk

This would only be appropriate in extreme cases where, even with all possible controls in place, the risk of continuing the activity outweighs the benefits that would be achieved through it.

## **RISK MONITORING**

The likelihood or impact of an identified risk can change for a number of reasons including:

- Nature of the risk has changed or is changing
- Existing controls are inadequate or not functioning
- New controls are introduced

Early warning indicators should be designed for each risk to alert the Trust to manage the situation effectively. These should be triggers described in the register and be highlighted in reports to the Trust. One of the key characteristics of monitoring mechanisms is to pick up the problem before it happens, or at least before it gets too serious.

The Members of the Trust should:

- Ensure that the Risk Register is updated in light of the developments within the Trust and the wider business environment

The Audit and Risk Committee should:

- Review the Risk Register and the Internal Audit monitoring documents at its meetings
- Take necessary action to address adverse departures for objectives
- Provide ongoing advice on the effectiveness of the risk management process

School Risks should:

- Review the risks which fall into their area of responsibility, the possible impacts these have on other areas and the consequences other areas may have on them
- Use performance indicators to monitor the key business and financial activities, progress towards objectives and identify developments which require intervention
- Have systems which communicate timely variances on budgets and forecasts to allow action to be taken
- Report systematically and promptly to the Risk Manager any perceived new risk or failures to existing mitigating or control measures.

## **RISK REPORTING**

Different levels within the Trust / school's need different information from the risk management process.

Early warning indicators should be reported systematically and promptly to the Audit and Risk Committee to allow action to be taken. The frequency of reporting should be related to how quickly a risk can materialise and its likely impact.

Schools should:

- Understand their accountability for individual risks

- Understand that risk management and risk awareness are a key part of the school's / Trust's culture
- Understand how they can enable continuous improvement of risk management response
- Report systematically and promptly to senior management any perceived new risks or failures of existing control measures

Head teachers / Local Advisory Boards should:

- Report systematically and promptly to the Risk Manager any perceived new risks or failures of existing control measures

Audit and Risk Committee should:

- Review the findings of the Local Advisory Boards
- Ensure accurate reporting of risk in terms of issue and risk values
- Report to the Trust the progress towards an update on the Risk Register
- Report systematically and promptly to the Trust of any perceived risks facing the Trust
- At Audit and Risk Committee meetings review the most significant risks (amber and red) facing the Trust
- Ensure appropriate levels of awareness throughout the Trust

The Trust should:

- Report annually on the effectiveness of the risk management process in the Trust
- Report to the Trust's stakeholders on a regular basis its risk management policies and the effectiveness in achieving its objectives.

## **MONITORING AND REVIEW OF THIS POLICY**

The Audit and Risk Committee will review this policy annually and assess its implementation and overall effectiveness.





## Corporate Business Continuity Plan

The approach to Business Continuity planning recognises the links with the Trust's Risk Management Policy and the risks arising from critical incidents will be included when developing and monitoring the Corporate Risk Register.

## INTRODUCTION

This strategy sets out the Trust's policy for planning and responding to major incidents which affect the continuity of its business and the safety of its staff, pupils and stakeholders. The Academies Financial Handbook states that Trust's must recognise and manage present and future risks, including contingency and business continuity planning, to ensure continuous and effective operations.

The Trust will ensure that business continuity management is embedded within its culture and that all those connected with the delivery of services, including partners and key suppliers are fully aware of their roles and responsibilities in ensuring business continuity.

Whilst no amount of planning can totally prevent accidents and problems occurring, it is recognised that some can be prevented and the effects of others minimised by taking sensible precautionary measures. The Trust expects that all staff will be familiar with the routines and procedures for dealing with emergencies. It is not possible, or desirable, to write a plan for every possible disruption. No matter what the cause of the incident, the effect can generally be summarised as:

- Loss of life or serious injury to Trust staff, pupils or members of the public
- Loss of buildings, or part of or access to them
- Loss or failure to ICT systems
- Loss / shortage of staff
- Loss of critical suppliers or partners
- An inability to carry out daily and / or critical activities
- Adverse publicity and / or reputational impacts

In the event of a critical incident the priorities of those in charge of the Trust / School / educational visit will be to:

- Preserve life
- Minimise personal injury
- Safeguard the interests of all staff and pupils
- Minimise any loss to property and to return to normal working as quickly as possible

## PLANNING FOR AND MANAGING EMERGENCIES OR CRITICAL INCIDENTS

Each School and the Trust will carry out an assessment of critical activities to identify key risks to its operations and the safety of its staff, pupils and stakeholders. This assessment will be led by the respective Head teachers and will inform the business continuity planning process.

Each School will maintain its own Business Continuity Plan to address and respond to the key risks identified.

This plan will be activated in the event of a critical incident or an emergency, i.e. when an incident occur that impacts on the delivery of our critical activities or the safety and well-being of our staff, pupils and other stakeholders; and when normal responses, procedures and coping strategies are deemed insufficient to deal with the circumstances.

Planning should be based on the principle that in the first instance and where possible other staff, sites and premises within the Trust should be utilised to support immediate responses and the return to normal operations.

As a minimum the plan will include:

- Stakeholder information and key contact details
- Critical incidents team and their responsibilities
- Communications plan (where an incident involves the closure of a School then the Chair of the Trust should be informed as part of this response)
- Contingency plans and strategies for possible risk scenarios as a loss of site or loss of staff
- Alternative premises plans if access to the school site is prevent focused on both the short and medium term
- Any documents that will assist in dealing with the situation, such as medical notes of pupils, SEND register, etc.
- Somewhere to record all decisions and actions (to protect against litigation post-incident)

A copy of the respective plan for each School should be maintained by the Head Teachers and a copy kept in the main office for use when an emergency is activated.

The latest version should be forwarded to the Audit and Risk Committee who will maintain a central record of all Business Continuity Plans.

## **ICT DISASTER RECOVERY**

Each School will be responsible for establishing an ICT Disaster Recovery Procedure in line with the School's assessment of critical activities for inclusion in each respective plan.

This plan will identify actions to take in the event of loss of ICT hardware, software, infrastructure or connectivity; or the loss of key ICT related staff.

## **TESTING AND REVIEW**

It is the responsibility of each school's Head teacher to ensure that plans are reviewed on a regular basis and always reviewed and appraised upon the conclusion of an incident. As a minimum all Business Continuity Plans must be subject to some form of testing at least once in every 12 month period.

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