Lingfield Education Trust
Risk Management Policy and Procedure

Policy Version Control	
Policy type	Academy Trust
Policy prepared by (name and designation)	Nick Blackburn CEO
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1. Purpose

The purpose of this policy and procedure is to outline Lingfield Education Trust's risk management strategy.

The Trust sets out strategic and business objectives and risk management is the discipline by which risks that threaten the achievement of those objectives are identified and managed as part of the planning process.

"Risk" is used in this policy and procedure to describe the uncertainty surrounding events and their outcomes that might have a significant effect, either enhancing or inhibiting: operational performance; achievement of aims and objectives; or meeting the expectations of stakeholders.

"Major risks" are those risks that have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives, or could damage the reputation of the Trust.

2. Scope

This policy and procedure applies to the risk management strategy for the Trust as a whole.

3. Key Principles

Lingfield Education Trust believes that an effective risk management strategy is a matter of good organisational practice, lying at the heart of good management and good governance.

4. Rationale

Lingfield Education Trust has a responsibility under charity law to state in its annual accounts that the major risks, to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

Properly controlled risk taking is necessary to the success of the organisation to build capacity for the future and deliver against the strategic goals set out in the Lingfield Education Trust strategic plan.

5. Policy

Lingfield Education Trust's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated. The specific procedures for the implementation of this policy and the personnel responsible are detailed below.

The Board of Trustees is responsible for making a statement on risk management in the annual accounts of Lingfield Education Trust. In order to be able to make the required statement with reasonable confidence the Trustees should ensure that:

- The identification, assessment and mitigation of risk is linked to the achievement of Lingfield Education Trust vision and strategic goals as set out in the Improvement Plan;
- The process covers all areas of risk, e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks
- The process produces a risk exposure profile that reflects the Trustees views as to levels of acceptable risk;
- The principal results of risk identification are reviewed, evaluated and managed; and ensure that the risk management is ongoing and embedded in management and operation procedure.

The Lingfield Education Trust is responsible for overseeing the development and implementation of the risk management strategy.

The CEO has responsibility for ensuring that the risk management policy is implemented and for coordinating risk management activity across the school. The CEO will provide an annual report on risk management to the Board of Trustees.

The Deputy CEO/Executive Head Teacher/Head Teacher/Head of School and their Leadership Teams are responsible for ensuring that they take personal responsibility for championing risk assessment and management across school and for reinforcing risk-aware attitudes and responses. Their role is to provide objective assurance to the CEO that:

- Risks are correctly evaluated
- Key risks are being managed appropriately including the effectiveness of the controls and other responses to them

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- The risk management framework and internal control framework is operating effectively
- Management is properly reporting the status of key risks and controls.

6. Procedure

Risk Identification

The process of risk identification will involve both Trustees and the CEO.

Consideration will be given to the following factors:

- The vision, beliefs, values and strategic goals;
- The nature and scale of the school's activities, both current and planned;
- External factors that may affect the school such as legislation and regulation
- The school's reputation with its key stakeholders;
- The operating structure, e.g. functions and issues that the school may face due to transition to Academy status.

See Appendix 1– Typical Categories of Risk

Risk Assessment

- Discuss and agree that all involved are satisfied with the list of risks;

- Determine the appropriate response to each risk;

- Assess existing controls and determine appropriate action;

- Allocate responsibility for action; and

- Agree future reporting and review procedures.

- Taking each of the risks in turn, discuss and rate them in terms of likelihood e.g. 1 = Almost Impossible, 5=Very Likely and impact, e.g. 1= Negligible to 5=Catastrophic.

A risk matrix (see Appendix 2) will be used to plot each risk.

The assessment of each risk will take into consideration the control measures currently in place to manage the risk. The controls identified will be assessed to determine whether they are an appropriate mitigation of the risks identified. The value for money

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of the chosen responses needs to be considered, i.e. it is as important to avoid over-control of minor risks as under- control of serious risks.

With this exercise complete, the Board of Trustees will decide what their risk appetite is, (what level of risk they are willing to tolerate). This will determine what response the Board wishes to make to each risk.

Action Planning/Risk Register

Any risks requiring treatment should be recorded in a risk register (see Appendix 3). The actions required to produce an acceptable control system will be identified and documented. Clear responsibilities should be allocated to these actions along with a deadline for the action to be completed and a scheduled date for review.

A final version of the register will be circulated to all senior members of the Trust so that they are aware of the risk management policy and the controls in place to limit exposure to risk.

Monitoring and Review

The risk register will be reviewed regularly by the CEO and the Trust Finance, General Purposes and Personnel Committee to ensure that risks are identified and that appropriate controls and responses are in place and to ensure that;

- New risks/escalating risks are identified

- Planned actions are carried out in line agreed timescales

- Updating of the risk register as risks change over time

- Early signs of developing risks are identified

References

ESFA Financial Handbook

Charity Commission Guidance on Charities and Risk Management

Review Date: Autumn 2020

Appendix 1 - Typical Risks in a Multi Academy Trust

Corporate/Strategic

- Lack of strategic planning, no link to financial planning
- Reputation

Governance

- Responsibilities not defined
- Too much/little delegated to Executive Head Teacher/Head Teacher/Executive Head Teacher and Finance Director
- Unable to attract Trustees
- Non-attendance at meetings by Trustees

Academic

- Unable to achieve targets
- Staff recruitment and retention

Pupil Support

- Welfare of pupils
- Safety of pupils

Contractual/partnership

- Over-dependency on a relationship, liabilities arising

Financial

- Changes in funding
- Changes in pupil numbers
- Internal control breakdown/Fraud
- Inaccurate financial reporting

IT

- Security risks
- Business continuity
- Obsolescence of current systems

Physical

- Legislation- DDA, fire safety etc.
- Loss, damage or theft of assets

Commercial

- VAT/taxation exposure

Political

- Failure to maximise opportunities

Legal

- Child Protection
- Admissions
- Employment Legislation,
- Data Protection, FOI etc.
- Contracts etc.

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Appendix 2 - Risk Management Procedure and Matrix

Guidance on the Definition of Likelihood and Impact

Likelihood

5 Very High

There is little doubt that it will happen soon

4 High

Strong chance it will happen in the next year

3 Significant

50/50 chance this will happen in the next year

2 Low

Not expected to happen in the next year

1 Very Low

Almost impossible

Impact

5 – Catastrophic

Loss of operations for more than a week; severe injuries or loss of life; gross failure to meet national/professional standards; major long term consequences; extensive coverage in press; major financial loss then threatens existence

4–High

Loss of operations for up to a week; severe injuries; severe financial loss with impact on operations; damage to reputation, local press coverage

3 – Moderate

Some disruption to operations for 48 hours; short term illness/injuries; some damage

to reputation; financial loss than can be managed within budget

2-Low

Limited short-term disruption to operations; minor injuries/illness; small financial loss
1**5 –**

1Negligible

Not a noticeable effect on the school; no injuries; no damage to reputation

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Risk Matrix

Strategic (Medium to Long Term)	Risk	Consequences	Controls	Likelihood 1=Rare 5=Almost certain	Impact 1=Negligible 5=Catastrophic	Risk Score	Risk Rating	Review	Responsible Person	Action
Technological										
Social										
Economic										
Legislative										
Reputation										
Environmental										

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Operational (Daily)	Risk	Consequences	Controls	Likelihood 1=Rare 5=Almost certain	Impact 1=Negligible 5=Catastrophic	Risk Score	Risk Rating	Review	Responsible Person	Action
Professional										
Contractual										
Information										
Legal										
Physical										

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