



**Victoria Academies Trust**

**Risk Management POLICY v1.0**

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## 1. Aims

The Trust aims to:

- Set out the framework our trust has adopted for risk management
- Identify, measure, manage, monitor and report threats to the trust's business objectives
- Embed risk management processes in both day-to-day operations and governance

## 2. Legislation and statutory requirements

This policy is based on the following legislation and Department for Education (DfE) guidance:

- [Academy Trust Handbook](#)
- [Academy trust risk management](#)

This policy complies with our funding agreement and articles of association.

## 3. Roles and responsibilities

### 3.1 The Trust board

The trust board will:

- Take overall responsibility for risk management, including contingency and continuity planning
- Have oversight of the risk and issues register
- Appoint an audit and risk committee in accordance with the Academy Trust Handbook

### 3.2 The Audit, Finance and Risk Committee

The audit, finance and risk committee will:

- Review and agree risk ratings
- Review and agree risks that have materialised and are now issues
- Direct the trust's programme of internal scrutiny
- Ensure that risks and issues are being addressed appropriately through internal scrutiny
- Report to the trust board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks and issues.

### 3.3 School staff and volunteers

Within their own schools, headteachers will:

- Carry out day-to-day management
- Assess operational risks
- Identify risks and report these to ELT for review and onward reporting to audit, finance and risk committee where appropriate.

## 4. Risk identification

At the risk identification stage, all potential events that are a threat to the achievement of the trust's goals (including not capitalising on opportunities) are identified, defined and categorised.

Risks will be considered under the following categories:

### 4.1 Internal risks

These are risks over which the trust has some control, by managing them through internal controls or additional mitigating actions. For example, fraud risk or health and safety risks

### 4.2 External risks

These are significant external events such as a pandemic or extreme weather.

### 4.3 Strategic risks

These are risks to the achievement of the trust's goals for example the failure to recruit staff

### 4.3 Project risks

These are risks associated to specific projects for example slippage on the delivery of a new building.

## 5. Risk measurement

Risk measurement consists of assessment, evaluation and ranking. This ensures all identified risks are compared according to a consistent standard.

### 5.1 Assessment

The aim of assessment is to better understand each specific instance of risk, and how it could affect business objectives. The trust will estimate:

- The likelihood (or possibility) of it occurring, and
- The impact (or severity) if it did occur

Both of the above risk factors are assessed using a simple 3-point scale: low, medium and high. The combination of both assessments gives the overall risk ranking e.g. H/H, M/M/, L/L, H/M etc.

## 6. Risk mitigation

The AFR committee will consider each risk and identify appropriate risk treatment options, balancing the potential benefits from the achievement of objectives against the costs, efforts or disadvantages of proposed actions. The AFR will consider:

- **Tolerating** – risk is where no action is taken. This may be because the cost of instituting controls is not cost effective, or the risk or impact is so low that they are considered acceptable
- **Treating** – risk involves controlling it with actions to minimise the likelihood of occurrence or impact. There may also be contingency measures to reduce impact if it does occur
- **Transferring** – risk may involve the use of insurance or payment to third parties willing to take on the risk themselves (e.g. outsourcing)

- **Terminating** – risk can be done by altering an inherently risky process to remove the risk or by stopping the process all together.

## **7. Risk Materialisation**

When a risk materialises it becomes an issues. Issues are tracked on the issues register. The issues register only has impact as the risk has occurred. Mitigation is then articulated to reduce the impact to as low as possible. The issues register is discussed in more detail at the AFR committees.

## **8. Monitoring Arrangements**

Monitoring is ongoing and continuous, as this supports the trust's understanding of whether and how the risk profile is changing. Monitoring also provides assurance on the extent to which the mitigating actions and controls are operating as intended and whether risks are being managed to an acceptable level.

The risk and issues registers are central to risk monitoring. As risks are identified, they will be logged on the register and the associated control measures documented.

The risk register is updated by the COO with input from Head Teachers and ELT.

## **9. Reporting and Scrutiny**

The AFR will review the risk and issues register three times a year. Review and feedback is then presented at the subsequent board meeting.

The AFR will keep the trust's risk appetite under review and consider the ongoing appropriateness of the risk management policy. In the event of unforeseen circumstances, the board will consider the extent to which the risk was identified and measured and whether the selected control measure was appropriate.

The risk register will facilitate a rational risk-based approach for the internal scrutiny function's schedule of work. The AFR committee is responsible for directing the trust's programme of internal scrutiny. .

## **10. Links with other policies**

This risk management policy links to the following policies:

- Risk assessment
- Business continuity
- Health & Safety