



QUANTOCK
EDUCATION TRUST

Risk Management Strategy

DATE: September 2020

POSTHOLDER RESPONSIBLE: CEO

TRUSTEES/GOVERNORS COMMITTEE: Audit & Risk

STATUS: Ratified

DATE RATIFIED: September 2020

DATE OF NEXT REVIEW: September 2021

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1. Overview

- 1.1. This document seeks to present a robust and appropriate approach to risk management reflecting the categories identified in the Academies Financial Handbook and in the HM Treasury publication – “Management of Risk – Principles and Concepts”. It underpins the statement on internal control and risk management that is within our Financial Procedures and must be included in the Trustees’ annual report.
- 1.2. This document does not, in any way, reduce the corporate governance requirements placed upon us as a Trust, it provides an approach to the risk management process that is appropriate to our size.
- 1.3. This document is not about imposing an additional process as the risks facing the organisation are already well considered and managed in the course of normal daily activities. However, it is useful in ensuring that we have considered all risks and activities adequately. The aim is to achieve an acceptable level of comfort using the available resource and for the Trust Board to be able to report sound arrangements in annual accounts.
- 1.4. Given the pressure on resources, we make use of available internal audit resources. We will use a group of trustees in the process to benefit from their experience of other organisations’ risk management processes, as well as their experience of the body itself.
- 1.5. This approach is based upon the fact that day to day control of the body is restricted to a small team, who are well aware of, and involved in, the various functions of the body and the activities being undertaken.
- 1.6. The key starting point for the process is the strategic objectives of the Trust, as it is the risks to the achievement of these objectives on which the body should focus attention. Risk management will be embedded into the ongoing planning and strategy process. We will seek to judge the significance of the risks we face and how much attention needs to be given to them.

2. Our approach

2.1. Stage 1 – Preparation

- 2.1.1. Given the nature of the internal control system and the pressure on available resources, this approach aims to keep the time input required to a minimum. Meetings of senior officers will take place. The CEO and Operations and Finance Director take overall control of the risk management process and provide the Audit and Risk committee with all the relevant information in a timely manner. The Audit and Risk Committee advises the board of Trustees, who retain ultimate oversight and overall responsibility for risk management.
- 2.1.2. In order to share ownership of the process throughout the organisation other members of staff are consulted and other subcommittees may be required to input into the management of risk at the direction of the Board. The list of potential categories of risk that was in the Orange Book is reproduced at section C.

2.2. Stage 2 – Risk Meetings

2.2.1. The objectives of risk meetings are as follows:

- 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.

2.2.2. Taking each of the risks in turn, discuss and rate them in terms of likelihood and impact, e.g. 5 (high) to 1 (low). See Appendix 1 for Risk Matrix.

2.2.3. With this exercise complete, the board needs to decide what their risk appetite is (see section D). This will determine what response the board wishes to make to each risk. For details of the different possible responses to risk see section E.

2.2.4. With the list of key risks and responses agreed, any controls that exist to mitigate the risks are agreed. The controls identified need to be assessed to determine whether they are an appropriate mitigation of the risks identified. The value for money 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.

2.2.5. The assessment of controls will produce a list of actions required to produce an acceptable internal control system. Clear responsibilities should be allocated to these actions along with a deadline for the action to be completed and a scheduled date for review.

2.3. Stage 3 – The Risk Register

2.3.1. A risk register pro-forma is completed (see section F). This is circulated to relevant members of the organisation. They provide further confirmation that the understanding of the risks and controls within the organisation is accurate.

2.3.2. A final version of the register is circulated to all members of the organisation so that they are aware of the risk management policy and the controls in place to limit exposure to risk.

2.3.3. Risk assessment is embedded into management and planning processes and not carried out as an isolated exercise. The risk register provides valuable input to the allocation of resources, in order to help factor risk into the business planning processes.

2.4. Stage 4 – Ongoing Review and Reporting Mechanisms

2.4.1. Management should agree a timetable for continuing review of the risk register, bearing in mind that the key risks faced by the organisation may change and that the adequacy of the internal control system requires regular re-assessment. The Board of Trustees reviews the risk Register on an annual basis.

2.4.2. We report on risk management in the Trustees' Report in our annual accounts.

3. Categories of Risk *(Taken from the Academies Financial Handbook)*

The table below offers a summary of the most common categories of risk.

| | Category of Risk | Illustration / Issues to Consider |
|--|----------------------------|--|
| External Risk – arising from the external environment, not wholly within the organisation’s control, but where action can be taken to mitigate the risk | | |
| 1 | Political | Possible political constraints such as change of government or leaving the EU |
| 2 | Economic | Economic factors such as interest rates, exchange rates, inflation |
| 3 | Socio Cultural | Demographic change affecting demand for services; change of stakeholder expectations |
| 4 | Technological | Obsolescence of current systems; procurement and best use of technology to achieve objectives |
| 5 | Legal / Regulatory | Laws and regulations which impose requirements (e.g. health & safety and employment legislation) |
| 6 | Environmental | The need for buildings to comply with changing standards (e.g. energy efficiency); the need for disposal of rubbish and surplus equipment to comply with changing standards |
| Operational Risk – relating to delivery of current activities, and building capacity and capability | | |
| 7 | Operations | Overall capacity and capability to achieve objectives; procedures employed |
| 8 | Service / Project Delivery | Failure to deliver the agreed service |
| 9 | Resources - Financial | Availability and allocation of funding; poor budget management, school finances |
| | - Physical | Security against loss, damage and theft of physical assets, and fraud including identification of areas which can be insured |
| | - Human | Availability, retention, skills and capacity of staff |
| | - Information | Adequacy of information for decision making; security of information against loss, damage, theft and fraud |
| 10 | Relationships | Threats to relationships with delivery partners; customer satisfaction; accountability (particular to Parliament) |
| 11 | Reputation | Confidence and trust which stakeholders have in the organisation |
| 12 | Governance | Propriety and regularity; compliance with relevant requirements; ethical considerations |
| 13 | Scanning | Failure to identify threats and opportunities |
| 14 | Resilience | Capacity of accommodation, systems and ICT to withstand adverse impacts and crises; contingency planning and disaster recovery (e.g. fire, flood, failure of power supply, failure of transport systems) |
| Change Risk – created by decisions to pursue new endeavours beyond current capability | | |
| 15 | Public Sector Targets | New targets challenge the organisation’s capacity to deliver |
| 16 | Change Programmes | Programmes for organisational or cultural change threaten current capacity to deliver as well as providing opportunity to enhance capacity |
| 17 | New Projects | Making optimal decisions/prioritising between new activities that are competing for resources |
| 18 | New Policies | Policy decisions creating expectations where the organisation has uncertainty about delivery |

4. Assessing Risk Appetite

- 4.1. **Risk appetite is the amount of risk to which the organisation is prepared to be exposed before it judges action to be necessary.** Even risk as opportunity is surrounded by threats which potentially limit ability to exploit the opportunity, and for which an appetite in relation to the opportunity benefit has to be assessed.
- 4.2. **Risk appetite is also about comparing the cost (financial or otherwise) of constraining the risk with the cost of exposure should the risk become a reality, and finding an acceptable balance.** The fact that the resources available to control risks are likely to be limited means that value for money decisions have to be made – what resource cost is it appropriate to incur to achieve a certain level of control in respect of the risk? Apart from the most extreme circumstances it is unusual for good value for money to be obtained from any particular risk being completely obviated with total certainty.
- 4.3. **Some risk is unavoidable, and not within the ability of the organisation to completely manage it down to a tolerable level.** Contingency and business planning are included in the trust's management of risk.
- 4.4. Risk appetite may be very specific in relation to a particular risk, or it may be more generic in the sense that the total risks which an organisation is prepared to accept at any one time will have a limit.

4.5. Features of Identifying the Risk Appetite

- 4.5.1. In consequence every organisation has to identify its risk appetite. Decisions about response to risk have to be taken in conjunction with an identification of the amount of risk that can be tolerated. Any particular organisation is unlikely to have a single risk appetite.
- 4.5.2. The tolerable extent of risk will vary according to the perceived importance of particular risks. For example, tolerable financial loss may vary in accordance with a range of features including the size of the relevant budget, the source of the loss, or associated other risks such as adverse publicity. Where a particular risk can give rise to a number of effects, an effect of quite large financial loss may be acceptable whilst an associated effect of damage to health and safety may not be tolerable at all. Both the risk framework and the control responses therefore have to be considered in detail to identify the appropriate balance of potential realisation of risk against the costs of limiting that risk.
- 4.5.3. The most significant issue is that it is unlikely, except for the most extreme risks, that any particular risk will need to be completely and absolutely obviated. Identification of risk appetite is a subjective (rather than an objective or scientific) issue but nevertheless is an important stage in formulating the overall risk strategy.

5. Risk Responses

- 5.1. Responses to risk can be divided into four response categories:

- 5.1.1. **Transfer:** For some risks the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks of risks to assets.

- 5.1.2.**Tolerate:** The exposure may be tolerable without any further action being taken. Even if it is not tolerable, ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be toleration. This option may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised.
- 5.1.3.**Treat:** By far the greater number of risks will belong to this category. The purpose of treatment is not necessarily to obviate the risk, but more likely to take control action to contain the risk to an acceptable level. Such controls can be **corrective, detective, directive or preventive** (see glossary)
- 5.1.4.**Terminate:** Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in the public sector when compared to the private sector; a number of activities are conducted in the public sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved.
- 5.1.5.**Take the Opportunity:** this option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating threats, an opportunity arises to exploit a positive impact. The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities – for example a drop in the cost of goods or services might free up resources for redeployment.

6. Risk Register

A risk is something that might happen to threaten the project. Mitigations are actions taken to reduce the chance of the risk coming to pass (probability, P) or how bad it will be if it does (impact, I). If a risk does come to pass, it becomes an issue and generally needs a contingency action to address it. Contingencies can be planned in advance but only undertaken when the issue occurs. Contingencies have been inserted below for all those risks where the post-mitigation rating is medium or high; in some cases, contingency is not feasible or affordable (financially or politically). The key risks are listed first in each section and highlighted in grey.

| Risk Category | Risk Sub Category | | Description of Risk | Pre-Mitigation Risk Analysis | | | Mitigation | Mitigation Owner | Post Mitigation | | | Contingent and Current Actions |
|----------------------------|-------------------|---|--|------------------------------|---|---|--|------------------|-----------------|---|---|--|
| | | | | P | I | R | | | P | I | R | |
| STRATEGIC AND REPUTATIONAL | 1.1 | Trust wide clarity and understanding of School Improvement Strategy | School Improvement Strategy is not responsive to and fails to address school needs relating to curriculum, Teaching and Learning and the needs of different groups of pupils. Schools fail to improve quickly enough if that | M | H | H | <ul style="list-style-type: none">• Prioritise school improvement, with a strong School Improvement Strategy and high quality expertise• Focus on embedding monitoring and tracking systems and accurate assessment to allow Trustees to be fully aware of issues, and address them accordingly.• Use the CEO and other support effectively and allow them to focus on school improvement.• Appoint a Trust School Improvement Director | CEO | | | | <ul style="list-style-type: none">• In the process of revising School Improvement Strategy including quality assurance procedures and including a Trust approach to the post-COVID recovery planning |

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| | | | | P | I | R | | | P | I | R | |
| | 1.2 | Communication of vision and values - Trust presence/profile | Procedure, practice and stakeholder perceptions are not aligned with and do not reflect the Trust vision and values | M | H | H | <ul style="list-style-type: none"> Trustee attendance at all LGC meetings ensuring two-way flow of information and common understanding Vision and values promoted through all Trust activities and documentation | CEO | | | | <ul style="list-style-type: none"> Termly briefings being set up for local governors to meet with Chair and CEO Trust annual programme of training planned New website in progress Trust conference in planning |
| | 1.3 | Effective governance (capacity, attending, expertise and understanding) | Scheme of Delegation is not being understood and implemented by the Local Governance Committees. Roles and responsibilities are not well understood and there is insufficient relevant expertise at Local Governance/Trustee level | M | H | H | <ul style="list-style-type: none"> Board structure, terms of reference and membership made very clear in Trust Standing Orders Scheme of delegation reviewed annually. Regular meetings between LGC Chairs and Board Chair. Skills audit to ensure right mix for board. Maintain a register of business and pecuniary interests – deal with issues as they arise. Maintain code of conduct for trustees. | Chair of Trustees CEO LGC Chairs | | | | <ul style="list-style-type: none"> Review of Scheme of Delegation Programme of training for local governors and Trustees regarding roles and responsibilities planned Recruitment of more Trustees Trustee training planned Talent/Skills audit to be updated Trust self-evaluation and internal and external review being planned |

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| | | | | P | I | R | | | P | I | R | |
| | | | | | | | <ul style="list-style-type: none"> • Close links maintained between Local Governors and Trustees. | | | | | |
| | 1.4 | Leadership capacity (capacity, succession, growth) | Stability and sustainability of the Trust are affected by a turnover of executive and senior leaders and long-term absence of key personnel | M | H | H | <ul style="list-style-type: none"> • Put in place a dedicated programme of activity to identify future leaders. • Running programmes for aspiring school leaders. • Have clear career development route for leadership into senior roles within the Trust. • Consider HR policies to make us an attractive employer, but also to allow movement of staff. • Maintain links with other trusts and external providers who could provide cover. • Ensure staff internally are aware of one | | | | | <ul style="list-style-type: none"> • Planning for post Teaching School de-designation in order to provide further opportunities for career development with the Trust • Talent/skills audit being explored • Trust marketing strategy in progress • People strategy in planning • Trust INSET (including the conference) include school presentations |

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| | | | | P | I | R | | | P | I | R | |
| | | | | | | | another's jobs and can provide cover. • Identify plan for succession within the Trust. | | | | | |
| | 1.5 | Legislation and Compliance (policy management, monitoring, delivery and impact) | Irregular monitoring impacts on pupil and staff performance, resulting potentially in complaints, disciplinary/capability issues, poor staff morale and parental dissatisfaction. | M | H | H | • Clear Trust wide annual structure for monitoring and review procedures informing agendas and evidenced through minutes and reports. • Robust HR procedures relating to staff performance. | CEO/DFO | | | | • Review of Trust calendared procedure for policy review, at school and Trust levels and arrangements for monitoring • Trust approach to stakeholder views under discussion |

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| | | | | P | I | R | | | P | I | R | |
| | 1.6 | Legislation and Compliance | Failure to meet the requirements of the Articles of Association and Academy Financial Handbook resulting in EFSA intervention | L | H | H | <ul style="list-style-type: none"> Organisation structure including a standard and calendared agenda approach to monitoring and review ensure that Trust practice is compliant | | | | | <ul style="list-style-type: none"> Establish standard agenda for scheduled Trustee and sub-committee meetings and monitor through Audit and Risk procedures |
| | 1.7 | Risk Management | Failure to update risk register in line with emerging issues and to monitor mitigating actions and impact as appropriate | | | | <ul style="list-style-type: none"> Audit and Risk Committees monitors Risk Register, updating ratings ensures appropriate coverage through sub-committee meetings | | | | | <ul style="list-style-type: none"> |

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| | | | | P | I | R | | | P | I | R | |
| OPERATIONAL | 2.1 | Marketing and communications | Failure to develop and implement a marketing strategy in order to deliver the Trust brand, benefits, vision and values impacting on Trust growth and sustainability | M | H | H | <ul style="list-style-type: none"> Branding and language guidelines to be agreed and circulated. Draw-up Communication plans and shared with all relevant stakeholders | CEO | | | | <ul style="list-style-type: none"> Review vision, values, communication and marketing Further development of standardised approaches to language and communication Trustees attending LGC meetings Clear two-way flow of information Trust capacity growth funding secured for increasing marketing capacity Review of business/growth plan Marketing strategy in progress |
| | 2.2 | Central team capacity | Quality of service failing to respond to changing needs of schools. Staff do not have sufficient time or experience to fully deliver their Trust wide roles. Schools do not consider that the Trust provides a valuable, high quality service | | | | <ul style="list-style-type: none"> Regular structure of meetings and development support is in place, particularly for leaders, business managers and central team Website provides clear communication of central team | DFO | | | | <ul style="list-style-type: none"> Review of roles and salary gradings Business/growth plan being updated Trust Capacity Growth Funding being allocated to areas where there are the greatest capacity needs |

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| | | | | P | I | R | | | P | I | R | |
| | | | | | | | personnel, roles and responsibilities <ul style="list-style-type: none"> • Develop Quality Standards for central team delivery • Central team structure under annual review and integrated approaches developed. • Trustees review capacity on a regular basis • Schools surveyed regarding satisfaction with the service delivered and regularly discussed at Chairs and Clerks meetings | | | | | |
| | 2.3 | Data leadership and management | Failure to ensure that there is access to accurate up to date and relevant data. Local Governors and Trustees are not kept informed of progress in key areas and are not asking the critical questions | M | H | H | <ul style="list-style-type: none"> • Chair and CEO regularly discuss contents of CEO's report and other documents submitted to Board. • Board challenge reports submitted. • CEO holds regular briefings with Services staff to maintain view. | CEO DFO Chair of Trustees | | | | <ul style="list-style-type: none"> • New CEO Report being developed to deliver clear accurate and up to date information for Trustees • Training for local governors and Trustees being planned to ensure each understands how to challenge the HOS/CEO |

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| | | | | P | I | R | | | P | I | R | |
| | | | | | | | <ul style="list-style-type: none">• Assessment and Finance information is clear, evidence based and moderated/audited across the Trust.• Ensure that management information is provided in a timely fashion, during or soon after the period to which it relates.• Board minutes recorded in such a way as to ensure that actions identified are followed up and completed.• Board minutes also clearly record Board questioning and challenging rather than just accepting management information.• Board to overcome the risk that too little management information is | | | | | |

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| | | | | P | I | R | | | P | I | R | |
| | | | | | | | produced to facilitate informed decision making by calling for further and additional reports as required and commissioning pieces of work from executive directors and others. | | | | | |
| | 2.4 | Operational and educational collaboration | Opportunities for Trust collaborative projects and ways of work are missed affecting the Trust delivery of its vision and mission and Trust growth | M | M | M | <ul style="list-style-type: none"> Regular agenda item at Trust SLT Working closely with marketing manager to ensure that events and achievements are celebrated through social media and the website | | | | | <ul style="list-style-type: none"> Trust conference in planning Year 5-8 curriculum projects in planning Trust Arts collaboration in discussion |
| | 2.5 | Outward facing engagement with external partners and professional networks | Failure to undertake operational and educational benchmarking of professional practice and outcomes and to access evidence of national research and best practice affecting pupil and staff performance and Trust growth | | | | <ul style="list-style-type: none"> School/Trust Improvement Plans link with external partners and signal opportunities for sharing best practice | | | | | <ul style="list-style-type: none"> |

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| | | | | P | I | R | | | P | I | R | |
| | 2.6 | Data Protection | A culture of data protection not being implemented and monitored across the Trust leading to potential data breaches and pupils and staff and business security | M | H | H | <ul style="list-style-type: none"> Data Protection training is included in induction and annual training for Trust workforce | | | | | <ul style="list-style-type: none"> |
| BUSINESS CONTINUITY AND FINANCIAL | 3.1 | Trust sustainability | a) Primary School rolls are dropping, resulting in budget deficits and impacting significantly on the ability to invest in improvements and long term sustainability b) Trust takes on a school with a significant financial deficit c) thorough process of due diligence | H | H | H | <ul style="list-style-type: none"> Implement strong marketing and PR campaign supported by appropriate expertise. Engage regularly from the Trust Board downwards with the local community to build confidence and trust. Carefully monitor forecast admissions data, and manage budget and resourcing accordingly. | | | | | <ul style="list-style-type: none"> |

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| | | | | P | I | R | | | P | I | R | |
| | 3.2 | Trust growth | <p>a) Low interest shown by potential members, making growth slow, endangering financial sustainability and the delivery of high quality central support and long term viability of the Trust</p> <p>b) Trust refuses to take on a school with a significant financial deficit following an 'inadequate judgement'</p> | H | H | H | <ul style="list-style-type: none"> • Have clear vision for the Trust that is consistently communicated. • Have clear criteria for those schools for which QET is an appropriate solution. • Have a clear and attractive offer for those types of schools we are looking to attract. • Work closely with the RSC and wider school community. • Work to develop a hub model that allows academies to be brought in as a local cluster. • Plan and put in place measures to increase pupil numbers and reduce costs in specific academies. • Review of both pay and non-pay expenditure to deliver | | | | | <ul style="list-style-type: none"> • |

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| | | | | P | I | R | | | P | I | R | |
| | | | | | | | financial stability into the future. • Due diligence shows a deficit at Stogursey Primary School – DO&F and CEO working with the school to achieve a balanced budget. | | | | | |
| | 3.3 | National funding/external political policy developments | Financial loss due to changes in funding and impact of external political factors | | | | • Maintain a clear knowledge of the direction of travel for education funding. • Work with funding sources to bring in as much funding to the Trust as possible. • Work to ensure that sensible decisions are made in relation to staffing • Maintain budgets that are balanced | | | | | • |
| | 3.4 | Insurance cover | Risk of financial loss/inability to cover damage/replace items | M | M | M | • Insurances are in place for premises, staffing and other contingencies. • RPA insurance is in place for all Trust schools | | | | | • |

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| | | | | P | I | R | | | P | I | R | |
| | 3.5 | Financial reserves | Trust holding insufficient financial reserves | H | H | H | <ul style="list-style-type: none"> Develop a clear reserves policy for Trust/Academies. All academies to have balanced budgets by 2019/2020. Reserves to be built up by 2019/20 up to minimum level set by The Trust Board. Any additional reserves reinvested for good of outcomes. | | | | | <ul style="list-style-type: none"> Additional financial restraint needed in order to maintain a healthy budget position Ongoing planning for efficiencies across the Trust and new ways of working |
| | 3.6 | Fraud | Fraud discovered within the Trust affecting the reputation of the Trust | M | M | M | <ul style="list-style-type: none"> Stringent financial controls in place across academies. Central finance system reduces risk. Use of recognised internal and external audit functions. | DFO | | | | <ul style="list-style-type: none"> Annual audits evidence effective controls Independent scrutiny checks are undertaken to be extended to all Trust schools |
| | 3.7 | Supplier viability and ability | Risk of supplier financial viability and ability to deliver a quality product in timescales required | M | M | M | <ul style="list-style-type: none"> Use of established suppliers. All suppliers set up on system. | DFO | L | L | L | <ul style="list-style-type: none"> Current system in founding Academy to be established across the Trust. |

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| | | | | P | I | R | | | P | I | R | |
| | | | | | | | <ul style="list-style-type: none"> • Quotes obtained as required. • Payments made upon receipt of goods and services. | | | | | <ul style="list-style-type: none"> • Current model with 3 primaries will see a centralisation of the finance function to ensure increased efficiency and best value in the procurement of goods and services |
| | 3.8 | Financial systems and controls | Financial systems are not sufficiently robust to ensure that the following are controlled: - reconciliations - authorised access only - appropriate raising of invoices - authorisation of expenditure - income and expenditure in the wrong period - appropriate availability of cash - recovery of debt - appropriate response to tax - responding to changes in legislation - misappropriation- related party transaction - asset management | H | H | H | <ul style="list-style-type: none"> • Stringent financial controls in place across academies. • Policy structure in place and regularly reviewed. • Central finance system reduces risk. • External audit delivers minimal items of concern and any that are raised are addressed promptly. • On-going monitoring of internal controls carried out by recognised internal audit providers – again, matters raised | DFO | M | M | M | <ul style="list-style-type: none"> • Audits have raised only minor issues and these have been addressed promptly. • On conversion the 3 primary academy LGCs membership and interests will be reflected on websites in line with latest guidance. • Current system of independent financial checks will be rolled out to the primary schools joining the Trust although in practice much of the |

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| | | | | P | I | R | | | P | I | R | |
| | | | | | | | are addressed promptly. | | | | | finance function will be centralised. |

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|---------------|-------------------|----------------------------|--|------------------------------|---|---|---|------------------|-----------------|---|---|--|
| | | | | P | I | R | | | P | I | R | |
| | 3.9 | Legislation and compliance | <p>The Trust is not in line with legislation relating to:</p> <ul style="list-style-type: none"> - charities - taxation - data protection - health and safety - welfare - education - policies and procedures | H | H | H | <ul style="list-style-type: none"> • Advisors in place to support where there is information to be shared in relation to legal, HR, finance, safeguarding and health and safety. • Subscriptions in place to receive regular flow of information in respect of legal changes. • Audits in place within academies for range of aspects needing consideration. • Headteachers and Consultants complete compliance checks to ensure all necessary information is in place. | CEO | M | M | M | <ul style="list-style-type: none"> • Regular legal support available and accessible as required. • CEO and others access training to keep abreast of latest developments and expectations. |

| Risk Category | Risk Sub Category | | Description of Risk | Pre-Mitigation Risk Analysis | | | Mitigation | Mitigation Owner | Post Mitigation | | | Contingent and Current Actions |
|---------------|-------------------|-------------------|--|------------------------------|---|---|--|------------------|-----------------|---|---|--|
| | | | | P | I | R | | | P | I | R | |
| | 3.10 | Safeguarding | Policies and procedures are not being implemented and monitored in line with the Trust/School policy (or are ineffective) with some staff unaware of or inadequately trained in delivering their safeguarding responsibilities leaving children vulnerable | M | H | H | <ul style="list-style-type: none"> Ensure provision of external training in line with statutory requirements Ensure all are aware of the responsibilities and requirements. Trustees to monitor implementation of Trust and school policy | HR Manager | L | H | M | <ul style="list-style-type: none"> Regular review of practice against policy to be implemented. Trust wide policy created (part 1) in addition to school specific policies (Part 2) including a COVID addendum |
| | 3.11 | Health and safety | Policies and procedures are not being implemented appropriately, affecting the mental and physical wellbeing and safety of pupils and staff | M | H | M | <ul style="list-style-type: none"> Trust policy in place Trust estates manager undertakes regular compliance checks | DFO | L | H | M | |
| | 3.12 | Loss and injury | Fatality, serious injury or bereavement occur to a member of staff/pupil/third party | M | M | M | <ul style="list-style-type: none"> Health and Safety procedures in place as above to reduce likelihood of work related injury or death. Specialist resources and contingencies in place to deal with emergency situations, including local | CEO FM | L | L | L | <ul style="list-style-type: none"> Strong links with PCC who provide emergency support in such situations. Emergency and Business Continuity Plan being revised for Trust and schools – |

| Risk Category | Risk Sub Category | | Description of Risk | Pre-Mitigation Risk Analysis | | | Mitigation | Mitigation Owner | Post Mitigation | | | Contingent and Current Actions |
|---------------|-------------------|------------------|--|------------------------------|---|---|--|------------------|-----------------|---|---|---|
| | | | | P | I | R | | | P | I | R | |
| | | | | | | | educational psychology teams, PCC and press officer. | | | | | school support planned |
| | 3.13 | Natural disaster | Impact of a natural disaster/uncontrollable event - e.g. fire, flood, pandemic. Interruption to learning, bereavement, impact on mental health and wellbeing | M | M | M | <ul style="list-style-type: none"> • Emergency and Business Continuity Plan in place • Ensure all schools have established links with local providers in case of emergency. • Maintain links with cluster in case of emergency need for facilities. • Work closely with Facilities Manager | CEO DFO FM | L | L | L | <ul style="list-style-type: none"> • Emergency and Business Continuity Plan being reviewed and shared with Trust schools with links to Local Authority specialists support contacts and guidance • Training and support being set up for member schools regarding implementation of the Emergency and Business Continuity Plan. • COVID risk assessments reviewed regularly at school leadership and Trust level |

| Risk Category | Risk Sub Category | | Description of Risk | Pre-Mitigation Risk Analysis | | | Mitigation | Mitigation Owner | Post Mitigation | | | Contingent and Current Actions |
|---------------|-------------------|------------------------------|---|------------------------------|---|---|---|------------------|-----------------|---|---|--|
| | | | | P | I | R | | | P | I | R | |
| | 3.14 | Technology | Technological risk of information security, data corruption, hacking, outdated system, virus, ransomware, internet outage, failure of cloud data provider and recovery of performance, operational and financial data | M | M | M | <ul style="list-style-type: none"> • Use of cloud-based technology ensures that information is always maintained in its most up to date format and that it is always backed up off-site. • Local records are maintained and established provider ensures minimal risk in terms of supplier charges. • Use of recognised systems that have built-in safeguards and whose integrity is maintained. | DFO FM CEO | L | L | L | <ul style="list-style-type: none"> • Need to ensure virus protection and secure email continues. • Taking part in a cyber-security pilot scheme. |
| | 3.15 | Buildings and new facilities | Design and operational faults and delivery delays and problems affecting the operation of Trust sites Impact on a school or operating on a construction site affecting | | | | <ul style="list-style-type: none"> • | | | | | <ul style="list-style-type: none"> • |

| Risk Category | Risk Sub Category | | Description of Risk | Pre-Mitigation Risk Analysis | | | Mitigation | Mitigation Owner | Post Mitigation | | | Contingent and Current Actions |
|---------------|-------------------|-----------------------------|---|------------------------------|---|---|------------|------------------|-----------------|---|---|--------------------------------|
| | | | | P | I | R | | | P | I | R | |
| | | | circulation, evacuation and site security | | | | | | | | | |
| | 3.16 | Academy conversion | Due Diligence failing to assess the potential impact on the Trust of issues relating to finances (including pensions), contracts, facilities, buildings, staffing, governance, teaching and learning and safeguarding | | | | • | | | | | • |
| | 3.17 | Financial benchmarking | Regular benchmarking is failing to generate comparisons relating to staff ratios, etc. and actual performance in relation to budgets is not being monitored informed by best practice in other similar Trusts. | | | | • | | | | | • |
| | 3.18 | Funding/grant opportunities | Loss of opportunity - failure to apply for CIF grants, (CIF, S. Cap) | | | | • | | | | | • |

Appendix 1 – Risk Matrix and Impact Rating Guide

Risk Matrix

| LIKELIHOOD | | | | | |
|------------|----------|-----|--------|------|-----------|
| Very High | | | | | |
| High | | | | | |
| Medium | | | | | |
| Low | | | | | |
| Very Low | | | | | |
| | Very Low | Low | Medium | High | Very High |
| | IMPACT | | | | |

Impact Rating Guide

| Impact | Description |
|-----------|---|
| Very high | The financial impact will be in excess of £75,000 and/or it has a serious impact on the trust's strategy and vision |
| High | The financial impact will be high (between £50,00 and £75,00) and/or it has a significant impact on the trust's strategy and vision |
| Medium | The financial impact will be moderate (between £25,000 and £49,000) and/or it has no more than a moderate impact on strategy or on teaching and learning |
| Low | The financial impact is likely to be low (between £5,000 and £24,000) and it has a low impact on strategy or on teaching and learning. It is unlikely to cause any reputational damage to the trust |
| Very low | Little or no financial impact |

Glossary of Risk Terms (taken from the Academies Financial Handbook)

| | |
|---------------------------|--|
| Assurance | Gaining (independent) confirmation that the organisation's governance, risk management and internal control framework is appropriate, adequate and achieving the effects for which it has been designed. |
| Corrective Control | A control designed to correct undesirable outcomes |
| Detective Control | A control designed to detect undesirable outcomes which have arisen |
| Directive Control | A control designed to ensure a particular outcome |
| Embedding Risk Management | Ensuring that the risk management strategy is reflected in the objectives and function of every level of the organisation |
| Exposure | The consequences, as a combination of impact and likelihood, which may be experienced by the organisation if a specific risk is realised. |
| Horizon Scanning | Systematic activity to identify changes in risk as early as possible |
| Inherent Risk | The exposure arising from a specific risk before any action has been taken to manage it |
| Internal Control | Any action taken within the organisation to manage risk, including the impact if the risk is realised and the frequency of it |
| Impact | The evaluated effect or result of a particular outcome actually happening |
| Likelihood | The evaluated probability of a particular outcome actually happening (including a consideration of the frequency with which the outcome may arise) |
| Preventive Control | A control designed to prevent an undesirable happening |
| Residual Risk | The exposure arising from a specific risk after action has been taken to manage it. |
| Risk | Uncertainty of outcome, whether positive opportunities or negative threats, arising from a combination of impact and probability, including perceived importance |
| Risk Appetite | The amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time |
| Risk Assessment | The evaluation of risk with regard to the impact if the risk is realised and the likelihood of the risk being realised |
| Risk Management | All the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and reviewing progress |