Risk Management Policy

Policy Statement

Cheshire Academies 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.

Effective risk management in each of our Academies and at Trust level will reduce:

• Disruption to children's education
• Damage to an Academy's/Trust reputation
• The negative effect of incidents on staff and pupils morale
• Time lost in reacting to incidents, handling claims etc.
• The stress and anxiety that always accompanies accidents and losses
• Insurance costs

Responsibilities

Responsibility of Cheshire Academy Trust Board of Trustees

The Board of Trustees is responsible for making a statement on risk management in the annual accounts of the Trust. In order to be able to make the required statement with reasonable confidence they will receive an annual report from the Chair of each Academy's Local Governing Body.

Responsibility of Local Governing Bodies

Working with the Headteacher/Principal, the Local Governing Body's role is to provide objective assurance to the Trust that:

• Risks are correctly evaluated
• Key risks are being managed appropriately including the effectiveness of the controls and other responses to them
• The risk management framework and internal control framework is operating effectively
• Management is properly reporting the status of key risks and controls

Responsibility of the Headteacher/Principal

The Academy's Headteacher/Principal has responsibility for ensuring that the risk management policy is implemented and for co-ordinating risk management activity across the Academy. The Headteacher/Principal will provide an annual report on risk management to the Local Governing Body.

The Headteacher/Principal should ensure that they take personal responsibility for championing risk management across their Academy and for re-enforcing risk-aware attitudes and responses amongst their staff.

Other Staff Responsibilities

The Trusts' Director of Operations is responsible for compiling and maintaining a comprehensive Risk Register for each of the Trust Academies in collaboration with the Headteacher/Principal. The register should be formally reviewed on an annual basis.

Process

Cheshire Academies Trust process for managing risk involves four fundamental stages:

• Identify risks - having a process for identifying those risks that face the Academy
• Assessing risks - assessing the probability and impact of those risks so you can prioritise the management action to be taken
• Addressing risks - determining what that management action should be and who should take it

- Monitoring risks - ensuring that risks are managed effectively and that list of risks is regularly reviewed and updated

This process is put into practice through the following steps:

Step 1
Everyone involved with the running of the Trust must understand that Risk Management is about reducing risks to an acceptable level and is not risk elimination.

Step 2
Risk management must be an inclusive process as it is the staff involved with the Trust and Academy's day to day operations who will best understand the risks faced and their actions and communication will be key to the management of those risks.

Step 3
The risks the Trust/Academy faces in achieving its objectives need to be identified. To be effective, Risk Management processes need to take account of a wide range of risks although most risks probably have some, albeit indirect, financial consequences. As the range of risks is potentially very wide it helps to categorise them. Risk categorisation helps staff to generate a fairly comprehensive picture of the risks an Academy faces. It also helps the Academy to structure its risk mitigation strategies and procedures.

Cheshire Academies Trust categorises its key risks into four areas

- **Strategic & Reputational Risks**
- **Operational Risks**
- **Compliance Risks**
- **Financial Risks**

Step 4
The risks identified then need to be assessed so that management can see whether the risk can be tolerated or whether it needs to be addressed in some way (e.g. through additional controls). Typically, risks are assessed in terms of the impact and likelihood of risk occurring. Risks at this stage are often referred to as inherent.

Step 5
Where risks are not acceptable to the Trust/Academy, management action will be needed in order to reduce the risk to an acceptable level. These steps may include additional controls to all procedures, additional training for the staff involved, contingency plans in the event that the risk occurs, transferring the risk (e.g. insurance which is just one of the ways of addressing risk) or, in more extreme circumstances, terminating the activity that gives rise to the risk. The level of risk after these additional controls is often referred to as the residual risk.

Step 6
The risks the Trust/Academy needs to manage are recorded in a risk register. Risks are also allocated to an "owner" who is responsible for ensuring that the additional controls are operated and monitoring the level of the risk.

Step 7
Risk management operates on an annual cycle with a regular process for identifying the risks the organisation faces throughout this period of time. Inevitably, risks vary over time. New risks arise, while steps taken to address older risks should be effective, meaning that the priorities for management action will change on a regular basis. It is also important to ensure that the risk management process itself is operating effectively.

Cheshire Academies Trust