

Risk Policy

Introduction

The University of Chichester (Multi) Academy Trust (the Trust) is responsible for a range of diverse activities; all activities are subject to a certain degree of risk, some more than others.

The Trust has established systems for all areas of its work to ensure that standards and quality are maintained. Risk assessment and risk management form a critical part of these systems; they are about the **management** of risk, not the **avoidance** of risk. Risk is a critical element of some of our activities which should be encouraged but also understood.

This policy addresses strategic or major risk management within the Trust, as defined below. Trust-wide risk management is the responsibility of the Executive Team except where the evaluation of such risks means consideration is escalated to the Finance and Audit Committee, the Curriculum and Standards Committee or the Board of Trustees through the Trust Risk Register. School-based risk management is delegated to Local Governing Bodies.

Aims

The aims of introducing strategic risk management into the University of Chichester Academy Trust is to discharge management and Trustees' responsibilities to manage risks, as well as to implement good practice with due regard to effective corporate governance and the Turnbull report.

What is the regulatory requirement for Risk Management?

The Academies Trust Handbook requires the Trust to manage risks to ensure its effective operation and must maintain a risk register. Overall responsibility for risk management, including ultimate oversight of the risk register, must be retained by the board of trustees, drawing on advice provided to it by the audit and risk committee. Other committees may also input into the management of risk at the discretion of the board. Aside from any review by individual committees, the board itself must review the risk register at least annually. Risks management covers the full operations and activities of the trust, not only financial risks. The Charity Commission expects every charity to consider risk management and to make disclosures in the Trustees Annual Report. The Charities Statement of Recommended Practice (SORP) 2005 states: "A statement should be provided confirming that the major risks to which the charity is exposed, as identified by the Board Members, have been reviewed and systems or procedures have been established to manage those risks".

What is Major Risk?

Major risks are considered to be the strategic risks faced by the Trust. Generally, major risk can be identified in a management context as an obstacle to the achievement of the organisation's objectives. Key risks will be those that impinge on the key objectives of the organisation. A high-level risk assessment will be done as part of the strategic planning process for the organisation where the key risks to meeting the organisational objectives and strategic goals will be identified.

For the Trust, risks could be anything that poses a threat to the achievement of our strategic objectives or significant activities or it could be anything that could substantially damage our reputation or undermine the public's confidence in the Trust.

It is essential that we have effective mechanisms in place both to identify and manage major risks, as well as planning for the future to ensure that risks are minimised. This is achieved through the establishment of a comprehensive Strategic Risk Policy and by identification and monitoring of all relevant major risks in a Strategic Risk Register. The strategic risks are also reviewed and managed at a school level by the Local Governing Bodies where appropriate through the school-based risk management process.

Key Features of Risk Management

Risk management will be fully integrated with the Trust's business planning process using the following steps:

1. **Clarify Strategic Aims** – Formulating a clear mission statement, aims, objectives and plans for delivery of objectives. Aims and objectives must be communicated throughout the University of Chichester Academy Trust.
2. **Identification of major risks** – Recognising and identifying the key strategic risks to the University of Chichester Multi-Academy Trust's business and those risks which are most likely to impact on our performance and delivery of services.
3. **Assessment of risks and their consequences** – **analyse** and **evaluate** risks to provide an overall assessment of the potential consequences of identified risks and the timescale over which risks need to be managed. **Analysis** – determine existing controls and their reliability in terms of minimising the risks maturing and if the risks do mature, minimising the consequences. **Evaluation** – enables risks to be ranked to set management actions and priorities.
4. **Response to Risk** – determining the level and type of risk that is acceptable, the controls and resources needed to manage risks and prioritising and allocating responsibility for them.
5. **Monitoring, Review and Planning Future Actions** – risk management is a continuous process and should be monitored on a regular basis.

Risk Management Process

The business planning process for the Trust will be used as the primary means of identifying, prioritising and managing risk.

- Trustees identify strategic risks as part of the business planning cycle,
- The strategic risks are shared with schools who manage them at a local level through their Local Governing Body.
- Schools identify specific operational risks associated with their own school as part of the business planning process.
- The school-based risks are prioritised by Senior Management Team members who will take individual ownership of them and

propose means of best managing them. These are presented to the Local Governing Bodies for scrutiny.

- The Executive Team will consider operational and strategic risks, assign ownership and propose means of best managing them.
- Operational risks will be reviewed as part of the Local Governing Body monitoring cycle by the schools.
- Schools may also add additional risks to their risk register in light of their own circumstances.
- The Executive Team will review school-based risk registers and their impact on strategic risks and will report on the management of strategic risks to the two committees who will scrutinise the mitigations and report to the Board if there are any concerns or further actions needed.
- New risks that emerge will be discussed in the relevant committee and reported to the full Board.
- The Risk Register will be presented to the Board on a termly basis.

**Risk Appetite/
tolerance**

The organisational appetite for risk will be determined by the Board of Trustees and reviewed on an annual basis. Consideration of whether an activity should take place (and the associated risks of undertaking that activity) will be taken at the strategic planning stage.

Evaluation of Risks

An impact evaluation of all risks will be undertaken and the probability of each risk occurring should be estimated. Currently the probabilities of impact are assessed as Certain, Probable, Possible, Unlikely or Highly unlikely.

Definitions

Likelihood:

1. Highly unlikely = Very unlikely to occur
2. Unlikely = Unlikely to occur but not impossible
3. Possible = Likely to occur
4. Probable = More likely to occur
5. Certain = Certain or almost certain to occur

Impact:

1. Minor Impact = Very minor impact on the project's objectives and / or moderate impact on CAT / the University's finances and reputation
2. Considerable impact = Considerable impact on the project's objectives and / or minor impact on CAT / the University's finances and reputation
3. Reputational Damage = Likely impact on the reputation of the Academy or the Academy Trust
4. Permanent Damage = Permanent damage to the Trust's viability or reputation
5. Fatal and irreparable = Likely to result in closure of the Trust or an Academy.

Response to Risk	<p>Where possible the organisation will seek to manage all significant risks above risk tolerance levels by one of three options - avoiding, sharing/transferring, and mitigating risks. Where none are appropriate it may be necessary for the risk to be accepted as an aspect of the organisation's activities.</p> <p>The risk score represents the risk diagnosed through a combination of assessment of impact and likelihood. Risk assessment, mapping the mitigating action planned will be documented in a risk register which will be updated and reported to the Trust Board.</p> <p>Effectiveness of strategic risk management will be considered throughout the year by the two Trust Committees. The risks will be challenged and adapted as appropriate by the committees before being presented to the Board. As a result, the risks can be accepted, treated via the application of mitigation strategies or terminated.</p>
Assurance	<p>Regular reports will be reviewed by the Full Board on a termly basis to provide assurance on how risk management is being affected.</p>
Embed and Review	<p>The establishment of effective risk management procedures should not be a one-off event. Risk management is an integral part of the Trust's management processes considered in association with regular reviews of strategy and objectives.</p>
Roles and Responsibilities	<p>All Trust staff, Governors, Trustees and Board Members will be involved and have an important part to play in the identification and management of risk. Staff will be informed of the importance of risk identification through team meetings. The risk action assessment requires that Board of Trustees take ownership for monitoring risks identified as red. The risk owners of those risks identified as amber or green are the Chief Executive, and the Strategic Team. Specific responsibilities have been allocated as follows:</p> <p>Chief Executive Officer</p> <ul style="list-style-type: none"> • Overall responsibility for the management of risks at the Academy Trust. • Identification of strategic risks as part of the planning cycle and reporting on risk management to the Board of Trustees. • Ensuring that the Trust has a strategic risk management policy and processes and that these are communicated to and understood by Trustees and Academies. • Ensuring that members of the Executive team manage risks robustly in their area of responsibility • Ensuring that all Academies also manage and report risks on a termly basis. <p>Finance and Audit Committee</p> <ul style="list-style-type: none"> • Monitor the effectiveness of the Trust's risk management procedures via the ongoing review of the system of internal control. • Specific monitoring of section 4, 5 and 6 of the Risk Register. <p>Curriculum and Standards Committee</p> <ul style="list-style-type: none"> • Specific monitoring of sections 1,2 and 3 of the Risk Register

Director of Finance– Planning and Coordination

- Responsible for developing the risk management policy and processes, specifically the co-ordination of the risk review and the categorisation and evaluation of risks identified.
- Responsible for analysing the academy risk registers and alerting the CEO/Executive Team to any issues for action or inclusion in the risk register.
- Ensuring strategic risks are regularly reviewed by the Strategic Team.
- Commission scrutiny of aspects identified as part of the Internal Audit Programme

Board of Trustees

- Board of Trustees should be aware of the risk to the reputation of the Trust from activities that they may undertake elsewhere.
- Board of Trustees should seek assurance from the Finance and Audit Committee that appropriate strategic risk management procedures are in place and that risks in the area of Finance, Premises and Staffing are being well managed.
- Board of Trustees should seek assurance from the Curriculum and Standards Committee that the risks in the area of governance, School Standards and Safeguarding are being well managed.
- Annual review of approach to evaluation and mitigation of major risks

Academy Managers

- Senior Management teams in schools should ensure that all Trust wide risks are considered and mitigated when required in their schools.
- Senior Management teams should also add any school-based risks to their Risk Register.
- Senior managers should review risks in an ongoing way linked to their planning cycle.

LGBs

- Local Governing Bodies should review the Academy Risk Register in the cycle prescribed by the LGB planner.
- Local Governing Bodies should report to the CEO if there are any new risks emerging for the Academy.

Staff

- All staff should be aware of the importance of risk management, there should be formal channels of communication both up and down to identify and manage risks.

Risk Register

A copy of the template for the organisation's strategic risk register is attached.

- [Trust Risk Register](#)
- [Academy Risk Register](#)

