RISK MANAGEMENT POLICY

This policy has been approved and adopted by the Christus Catholic Trust across all their academies and it will apply to all staff within the Trust.

This Policy will take effect from:	Immediate
It was ratified by the Trust Board on:	October 2021
Monitored and reviewed by:	October 2022

The Christus Catholic Trust wishes to build a welcoming community of faith that has Christ at the centre, where all within our schools' communities have a love of God and a love of one another. Prayer and liturgy will shape our daily life.

Contents

1. Background

The Risk Management Strategy aims to ensure that the Trust complies with risk management best practice and sets out the current processes and responsibilities for risk management in the Trust.

1.1   Requirements

The requirements of the strategy can be summarised as:

- Directors, Governors and Headteachers acknowledge responsibility for the system of internal control
- An ongoing process is in place for identifying, evaluating and managing all significant risks
- An annual process is in place for reviewing the effectiveness of the system of internal control
- There is a system in place to deal with internal control aspects of any significant issues disclosed in the annual report and accounts

1.2   Risks and a sound system of internal control

In assessing what constitutes a sound system of internal control, consideration should be given to:

- The nature and extent of the risks facing the organisation
- The extent and categories of risk which it regards as acceptable
- The likelihood of the risks concerned materialising
- The organisation's ability to reduce the incidence and impact of the risks that do materialise

This mission statement informs our approach to our structures and governance.

a)   The CCT is committed to minimising risk through a framework of integrated governance supported by a proactive risk management culture.

b)   Risk can be defined as the combination of the potential likelihood of an event and its impact. In managing our schools there is the potential for events and consequences that constitute opportunities for benefit (upside) or threats to success (downside). Risk Management is concerned with both positive and negative aspects of risk.

c)   In the safety field, it is recognised that consequences are only negative and therefore the management of safety risk is focused on prevention of harm.

2. Risk Management objectives

The objectives for managing risk across the Trust are:

- To safeguard high quality and effective education of the young people in our Academies;
- To safeguard the reputation and ethos of the Trust and the Academies and the principles upon which the Trust was founded;

- To recognise the common good in terms of the interests of the families in the communities served by the Academies and the pupils of the future;
- To comply with risk management best practice;
- To ensure risks facing the Trust are identified and appropriately documented;
- To provide assurance to the Trust Board that risks are being adequately controlled, or identify areas for improvement;
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks; and
- To prioritise and protect the Scheme of Delegation and the balance struck between central management and local responsibility, informing our approach to our structures and governance.

2.1 Policy forms the approach to Risk Management in the Christus Catholic Trust.

a. Risk management is a central part of our strategic management and culture. It is the process whereby we methodically address the risks attached to our activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.
b. The focus of good risk management is the effective identification and treatment of risks. Its objective is to add the maximum sustainable value to all our activities. It focuses on understanding the potential upside and downside of all those factors, which can affect our organisation.
c. Employees at all levels throughout the trust should include risk management and awareness of risk as a key element of their job description. This supports accountability, performance measurement and reward, thus promoting proactivity.
d. Key performance indicators for risk management shall be developed, implemented and reviewed to measure the effectiveness of the risk management process.

3. Risk Management strategy

The strategy aims to:

- Outline the roles and responsibilities for risk management.
- Identify risk management processes to ensure that all risks are appropriately identified, controlled and monitored
- Ensure appropriate levels of awareness throughout the Trust and its Academies

3.1 Roles and responsibilities

The Headteacher with school Headship team have overall responsibility for managing risk in their Academies. The Local Governing Committees of each Academy have the responsibility to implement, monitor and verify such policies and procedures to facilitate an annual statement of compliance on those risks identified by the Trust Board. The CSEL has primary responsibility for risk management processes and has responsibility for maintaining the Trust-wide Risk Register. This responsibility includes:

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks
- Preparation of periodic reports to the Audit & Risk Committee

The Risk Register is formally reviewed each term by the Trust Board. The Risk Register is a standing item on the Trust Board's agenda and the Directors will monitor the identification and mitigation of risk within the Trust. The Local Governing Committee will review the individual Academy's Risk Register and this will form part of the Local Governing Committee's termly report to the Trust Board. (See also Appendix A)

3.2 Risk management processes

3.2.1 Risk Management Cycle

3.2.2 Identification of risks

Risk identification should be approached in a methodical way to ensure that all significant activities have been identified and all the risks flowing from these activities have been defined.

Our approach to risk management is linked to six key aims:
- Aspire, Accomplish, Achieve
- Safeguarding/Keeping our children safe in education
- Outstanding staff, leadership and management within a strong governance structure
- Outstanding infrastructure, including health & safety and data protection
- Financial strength
- Strong community and partnerships within an inspiring and supportive culture

Identifying risks cannot be centralised to a core team or function, it must be a fluid part of the day-to-day operation of the organisation and across the estate as the risk climate can change rapidly. Risk identification is a core competency and must be developed through the performance management process.

The Trust works to a framework of four key areas to identify and classify risks. This allows the organisation to take into consideration both internal and external factors that can positively or negatively affect the organisation.

Risk is considered under the following categories:
- Strategic risk
- Compliance risk
- Operational risk
- Financial risk

A list of risks will be identified using a variety of techniques including data analysis, options appraisals and incident investigation among others.

The structure and organisation of the Trust's risk register seeks to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified. The CESL has overall responsibility for ensuring the maintenance of the risk registers across the Trust and each academy.

3.2.3 Measurement of risk

Once risks have been identified it is important to measure them to give a standard for comparing the risks consistently. Measurement consists of assessment, evaluation, and ranking.

Assessment : Risks will be assessed on two core criteria:

- **Likelihood**: the probability of the risk occurring
- **Impact**: the positive or negative ramifications of the risk coming to fruition.
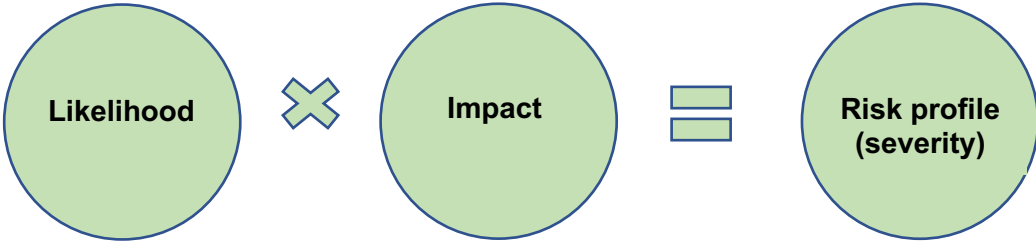
Risk profile

Both criteria will be scored on the risk register, between 1 (the lowest) and 5 (the highest). When multiplied together, the total provides a quantifiable risk profile. The risk profile will then determine the severity of the risk through a simple Red, Amber, Green framework (severity).

Risk profile score (Severity)		Rag rating
1 $\geq$ 5		Green
6 $\geq$ 12		Amber
13 $\geq$ 25		Red

5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
Impact / Likelihood	1	2	3	4	5

Impact	Value	Description
Insignificant / very low	1	Nothing to worry about : *Indicator :* has no impact on teaching and learning – no stakeholder concern – no H&S – nominal financial impact
Minor / low	2	Fairly serious : possibly important but can be managed although it would take up some time and resources : *Indicator :* low impact on teaching & learning – limited stakeholder concern – limited H&S – limited financial impact
Moderate / medium	3	Serious : a threat, which could cause us reasonable problems and would definitely take up time and resources : *Indicator :* moderate impact on teaching & learning – moderate stakeholder concern – moderate H&S (eg up to 3days absence) – moderate financial impact
Major / high	4	Very serious : would hinder the achievement of our strategic objectives and/or would take up considerable time and resources : *Indicator :* major impact on teaching & learning – high stakeholder concern – high H&S (eg over 3days absence) – major financial impact
Critical / very high	5	Major disaster : could seriously undermine the standing and position of the Trust/academy : *Indicator :* significant impact on Trust strategy / teaching & learning – significant stakeholder concern – significant H&S (eg over 3days absence) – significant financial impact

Likelihood	Value	Description
Very unlikely	1	Not likely to occur within a 3 year period or less than 1% chance of occurrence within next 12 months. Indicator: Has not occurred/ Is not likely to occur
Unlikely	2	Unlikely to occur within a 3 year period or less than 25% chance of occurring within the next 12 months. *Indicator:* Unlikely to occur more than once in a 3-year period. Has occurred but not in last 3 years
Fairly likely	3	Likely to occur within a 3 year period or within 25 - 50% chance of occurring within the next 12 months. *Indicator:* Some history of occurrence. Could occur more than once within a 3 year period.
Likely	4	Likely to occur within a 2 year period or within 50 – 75% chance it will occur in the next 12 months. *Indicator:* Potential of it occurring more than once within a 3 year period or has occurred in last 2 years.
Very likely	5	Likely to occur each year, or more than 75% chance of occurrence within the next 12 months. *Indicator:* Potential of it occurring several times within a 3-year period or has occurred recently.

3.2.4 Management (Control)

Once risks have been assessed, evaluated and ranked, the Trust and its academies will need to ensure there are appropriate plans to manage them. These plans include preventative controls, mitigation processes and contingency plans, if risks materialise. The approach taken will depend substantially on the academy trust's risk appetite and risk capacity.

The Trust has adopted four categories of risk response type. Selecting the most appropriate risk treatment option(s) involves balancing the potential benefits from the achievement of objectives against the costs, efforts, or disadvantages of proposed actions.

Tolerate	Treat
To accept or retain	To control or reduce
Transfer	**Terminate**
To contract out or insure	To avoid or eliminate

Tolerating risk is where no action is taken 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. The Trust's and its academies' ability to do anything about some risks may be limited, or the cost of taking any action maybe disproportionate to the potential benefit gained. Common for large external risks. In these cases the response may be to tolerate but the risk should be tracked so the Trust is ready to reconsider and act should the risk escalate. Tolerance levels must be set that determine the level of risk and inform the decision making process.

Treating risk is where most risks will fall within this category and 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. The purpose of taking action to reduce the chance of risk occurring is not necessarily to obviate the risk, but to contain it to an acceptable level. Risk will be dealt with at an appropriate level where the responsibility to decide on action will rest. Other risks may translate into activities designed to mitigate them. As is the case with any change in course of action, new risks may be encountered which subsequently require management.

Transferring risk may involve the use of insurance or payment to third parties willing to take on the risk themselves (for instance, through outsourcing) or by supporting a third party to take the risk in another way. **T**

Terminating risk can be done by altering an inherently risky process to remove the risk (doing things differently) thus removing the risk wherever it is feasible to

do so. If this can be done without materially affecting operations, then removal should be considered, rather than attempting to treat, tolerate or transfer. Alternatively if a risk is ranked highly and the other potential control measures are too expensive or otherwise impractical, the rational decision may well be that this is a process the academy trust should not be performing at all.

Risk Owner : One individual, where possible, should be elected as the risk owner. The risk owner will identify stakeholders with an interest in or affected by the risk. Stakeholders must be consulted to establish their relationship with the risk and what influence this might have on the risk management process. To ensure a holistic approach to risk management consultation must be ongoing. Once a response type is elected, a detailed strategy will be outlined and communicated by the risk owner. The risk owner will then coordinate all activities to ensure the successful implementation of the strategy and will remain responsible for effective communication throughout the implementation phase.

3.2.5 Monitoring

Monitoring should be ongoing and continuous as this supports the academy 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 register is central to risk monitoring. As risks are identified, they should be logged on the register and the associated control measures documented.

3.2.6 Reporting and Scrutiny

The aim of reporting risk is to provide assurance to the Directors, Governors, Headteachers and Auditors that the Trust is effectively managing its risks and has a robust system of internal controls.

Risk register
The reporting mechanism will be the Trust's Risk Register. This will highlight the key risks facing the Trust and its academies, as well as a breakdown for each key strategic aim and individual academies contexts.

The Trust Risk Register recognises individual registers for the Trust, Central, Headship team and Academies. The Risk Register will be monitored by the Trust Board on a termly basis.

Any significant changes in risk impact or probability, or the occurrence of an event which raises the profile of a risk will be recorded on the risk register as it occurs. Any new or increased risks identified by Directors, Governors, Headteachers or raised by any other member of staff will be evaluated and, if appropriate, recorded in the individual Risk Register and advised to the CSEL.

Risk registers will be monitored by local academy committees on a termly basis. Consolidated reports will be presented to Audit committee meetings.

The Trust Board (or any designated officer) will endeavour to raise awareness that risk management is a part of the Trust's culture and seek to ensure that:

- individual members of staff are aware of their accountability for individual risks

- individuals report promptly to senior management any perceived new risks or failure of existing control measures.

4. Review

The policy will be reviewed annually.

APPENDIX A

Addendum to responsibilities that may not be noted in body of policy

1. **The Trust Audit and Risk Committee is responsible for**

   - understanding the most significant risks facing the organisation;
   - providing strategic leadership, review and challenge to the Executive Team
   - reviewing the Strategic Risk register at every meeting;
   - overseeing the completion of the section regarding risk management within the annual report.

2. **The CSEL is responsible for:**

   - deciding upon the strategic risks to be reported to Trustees.
   - managing the risk register, ensuring it is regularly reviewed and updated;
   - ensuring risk owners reassess and update their risks at appropriate intervals.
   - for those risks for which they act as lead, ensuring controls are monitored and managed;

3. **Local Academy Committees will:**

   - know about the most significant risks facing their school
   - ensure appropriate levels of awareness throughout the school;
   - confirm completion of activities to manage risks that are assigned
   - know how their school will manage a crisis;

4. **Headship team and headteachers will:**

   - be aware of risks within their schools, the possible impacts these may have on other areas and the consequences other areas may have on them;
   - ensure risk treatment is effective and compliant
   - confirm completion of activities to manage risks that are assigned to them
   - report systematically and promptly to the Portfolio leads and Local Academy Committees and CSEL any perceived new risks or failures of existing control measures identified.
   - assist in determining risks, policy, procedure and guidance to schools as required to minimise risk and maximise benefit for the Trust and its members

5. **Risk Owners will:**

   - ensure risk activities assigned to them are completed
   - record completion through the risk register
   - review outstanding risks on a termly basis and flag barriers to managing risk in their report to Headteacher, Local Academy Committees, CSEL or Trustees as appropriate.

6. **Individuals must:**

- understand their accountability for individual risks;
- understand how they can enable continuous improvement of risk management response;
- understand that risk management and risk awareness are a key part of our culture; and
- report systematically and promptly to Headteacher, Local Academy Committees, CSEL or Trustees as appropriate any perceived new risks or failures of existing control measures.