Inspire Partnership
Multi Academy Trust

Risk Management Strategy

Trust Board Approval Date	19.01.2021
Implementation Date	January 2021
Planned Review Date	December 2023
Personnel Responsible	Chief Operations Officer

Introduction, Purpose & Scope

Introduction
Risk management is the process whereby the Inspiration Partnership Multi Academy Trusts (IPMAT) methodically addresses the risks attaching to its objectives and associated activities with the goal of achieving sustained benefit within each activity and across the whole range of activities.

Risk management is aimed at ensuring that the Trust achieves its objectives in the most effective way and that appropriate resources are directed at those objectives. It is not seen as a separate exercise but as a part of the day to activities of the Trust.

This Risk Management Framework (RMF) explains the Trust's approach to identifying, managing and mitigating the risks it faces. The RMF is for the use of all staff of the Trust and it serves to:
- Communicate the strategies for managing risk in the Trust
- Establish procedures which should be adopted in the risk management process
- Make clear the 'Risk Appetite' of the Trust Board.

The Trust has an overall relatively cautious appetite for risk.

Aims and Objectives
The purpose of the Trust's overall risk management plan is aimed at:
- Protecting its students/pupils, staff and assets
- Managing risk in accordance with best practice and reducing the cost of risk
- Anticipating and responding to changing social, environmental and legislative requirements
- Raising awareness of the need for risk management
- Integrating risk management into the culture of the Trust
- Adopting legal compliance as a minimum standard

These aims and objectives will be achieved by:
- Establishing and maintaining a risk management organisational structure to act in an advisory and guiding capacity which is accessible to all staff
- Maintaining documented procedures for the control of risk
- Providing suitable information, training and supervision
- Maintaining effective communication and the active involvement of all staff
- Maintaining an appropriate incident reporting and recording system, with investigation procedures to establish cause and prevent recurrence
- Monitoring arrangements on an ongoing basis

Benefits of effective risk management
Effective risk management protects and adds value to the Trust and its stakeholders through supporting the Trust's objectives by:
- Improving decision making, business planning and prioritisation by comprehensive and structured understanding of the wider business environment
- Supporting more efficient allocation and use of resources within the Trust
- Enhancing communication between schools and services
- Protecting and enhancing Trust assets and image
- Developing and supporting staff and the Trust's knowledge base
- Helping to focus the internal audit plan

Structure and administration of risk management

The Trust Board has a fundamental role to:
- Set the tone and influence the culture of risk management within the Trust
- Determine the appropriate risk appetite or level of exposure for the Trust
- Approve major decisions affecting the Trust's risk profile or exposure
- Set policy and strategy for risk management
- Frequently monitor the management of significant risks to reduce the likelihood of unwelcome surprises or impact
- Satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively
- Annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures
- Approve the transfer of mitigated risks to archived status

The IPMAT Board of Trustees delegates responsibility for risk to audit and resources committee who reviews the Risk Register on a half termly basis.

The Senior Leadership Team (SLT) will:
- Support and implement policies approved by the Trust
- Establish internal risk policy and structures for individual school / services
- Develop risk response processes, including contingency and business continuity programmes
- Provide adequate information in a timely manner to the Trust and its committees on the status of risks and controls
- Focus and co-ordinate risk management activities throughout the Trust
- Raise the level of management awareness and accountability for the risks experienced by the Trust
- Develop risk management as part of the culture of the Trust
- Provide a mechanism for risk management issues to be discussed and disseminated to all Trustees
- Report by exception to the audit and resources committee any red risks identified between half termly audit and resources committee meetings (See appendix A and B)

The Head Teachers will:
- Have primary responsibility for managing risk on a day-to-day basis within the school settings
- Have responsibility for promoting risk awareness within their operations; introduce risk management objectives into their school
- Identify and evaluate the significant risks faced by their operations for consideration by the Executive Leadership Team
- Ensure that risk management is incorporated at the conceptual stage of projects as well as throughout a project
- Ensure that risk management is a regular management meeting item to allow consideration of exposure and to prioritise work in the light of effective risk analysis
- Report early warning indicators to the Executive Leadership Team
- Maintain individual school Risk Registers and ensure that they are up to date and managed, reporting by exception any red risks identified between Executive Leadership Team meetings (See appendix A and B)

The Accounting Officer supported by the Chief Financial Officer is responsible for:
- Developing specific programmes and procedures for establishing and maintaining risk management activities within the Trust
- Ensuring the dispersal of vital information
- Providing guidance, interpretation and understanding of the risk management systems
- Ensuring that risks are reported in a timely manner to Trustees and senior staff and an effective system is in place for the escalation and regular review of risks.

Risk Identification

Risk is not only about adverse events; it is also about missed opportunities. All areas of activity within the Trust and partnerships with third party organisations should be considered together with what would stop them being as successful as they should. The key risks that the Trust faces will be those that would stop it achieving its objectives in these areas.

As the first step in the risk identification process all staff with responsibility for delivering operational aims or targets need to understand the Trust's objectives and the legal and regulatory environment in which it operates.

The second step is the translation of these objectives into operating aims in the form of detailed business plans and performance indicators for each area of activity. This should be an ongoing annual exercise with regular updating of the aims.

The next step is to identify what would stop each area being as successful as it should. Risks can readily be identified through either brainstorming with a cross section of staff or a more structured approach. The Executive Team will use a combination of these factors.

There are many methods for grouping risks, starting from either categorising risk or analysing it using a functional approach. Our approach is consideration by category as follows: -
- *Strategic/Reputational risks* – concern the potential damage to the Trust and its Trustees/staff and pupils from failure to meet objectives and maintain standards. They can be affected by such areas as falling standards, not meeting legal and regulatory changes and not effectively managing the physical environment and ensuring pupil safety.
- *Operational risks* – concern the day-to-day issues that the organisation is confronted with as it strives to deliver its strategic objectives. For example, failure to maintain timely and accurate learner data.
- *Organisation risks* – concern the effective management and control of the finances and Business function of the Trusts. For example, failure to balance budget.
- *Compliance risks* – concern such issues as health and safety, audit and ESFA requirements, data protection, employment practices and regulatory issues. For example, breach of the Academies Financial Handbook.

RMF
The risks that have been identified are recorded on the register for the Trust.

Risk Assessment

Having identified the risks that the Trust is facing, they need to be prioritised into a manageable order so that action can be focused on the significant risks. At this stage in the risk management process the Trust should only be concerned about the risks that threaten the achievement of the operating aims and objectives. Risk prioritisation will enable necessary action to be taken at the relevant level of management in the Trust.

Each risk is assessed in terms of the likelihood of its occurrence, and its impact on the Trust, should it occur.

Not all risks will affect the Trust with the same impact, and some are far more likely to occur within the Trust than others.

For each risk identified the likelihood of their occurrence is determined on the following scale:

1. Very low; (unlikely to happen in a five-year period)
2. Low (unlikely to happen in a three-year period)
3. medium unlikely (one to three years)
4. High, regular occurrence (academic year)
5. Very High; frequent occurrence (within the term)

The overall risk rating should the risk occurred and is calculated by multiplying the likelihood by the impact using the key metric below.

Examples are: -

ICT failure, virus or corruption of data: Impact 5   likelihood 4   Risk rating = 20
Failure to recover small debts   Impact 2   likelihood 3   Risk rating = 9

Risk Prioritisation
Risks should be prioritised as follows:

LIKELIHOOD

	Very Low	Low	Medium	High	Very High
Very High	5	10	15	20	25
High	4	8	12	16	20
Medium	3	6	9	12	15
Low	2	4	6	8	10
Very Low	1	2	3	4	5

IMPACT

Risk Score	Prioritisation	Colour	Action
1 to 3	Low	Green	Archive once mitigations are complete
5 -9	Medium	Amber	Consider action or contingency plan
>=10	High	Red	Requires urgent action

Risk Mitigation
The risk register includes the current mitigation in place and scores the current risks based on the mitigation in place at present. This is reviewed at Senior Leadership Team and Trust Board level via the Audit and Resources Committee
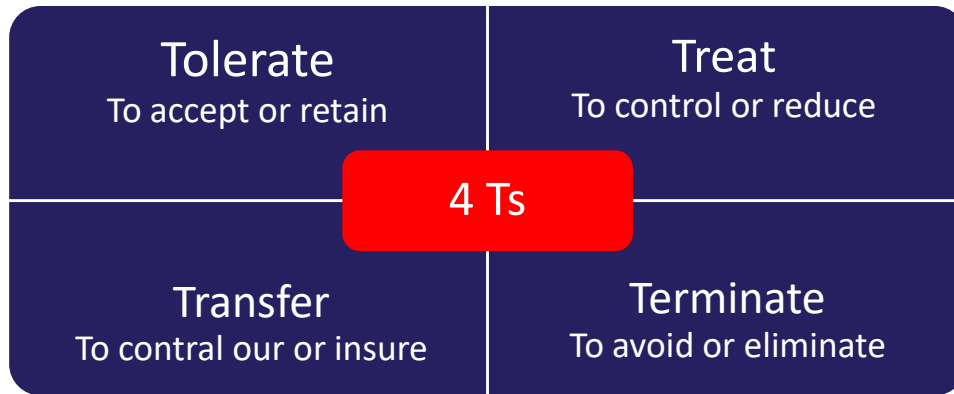
In the majority of cases, the next step will be to put in place systems to further mitigate against either the likelihood or the impact of the risk. Any system of risk mitigation should provide as a minimum:
- Effective and efficient operation of the Trust
- Effective internal controls

- Compliance with law and legislation

As part of the half termly risk review by the Senior Leadership Team, the Risk Register should be reviewed to ensure that the mitigating action/controls are appropriate and functioning. The residual risk should also be considered at each review if mitigating actions/controls are working better/worse than originally planned.

The Trusts manages its risk using one of the four Ts, Treat, Tolerate, Transfer and Terminate

Tolerate	Treat
To accept or retain	To control or reduce
4 Ts	
Transfer	Terminate
To contral our or insure	To avoid or eliminate

Original and Residual Risk Scores
Original Risks are the risk as they are assessed at the time of adding them to the Risk Register

Residual risks are risks that have the current mitigation/controls in place. Further actions should be identified to further improve this score to ensure that all steps are being taken to reduce the Risk.

The original and residual risk scores are to be recorded on the Risk Register.

The movement in these risk scores between reporting periods are to be recorded on these key documents to enable the reader to understand whether each risk is constant, decreasing or increasing over time.

Risk management process is a dynamic one throughout the Trust with identified responsibilities and different levels across the Trust to effectively manage risks.

Signature CEO :	SVickerman
Signature Chair of Trust Board :	
Date :	19.01.2021

Appendix A - Risk Management Process

Activity/Action	Responsibility
School Level Risk	
From the Autumn Term (2021) All schools to work towards establishing a risk register locally	Heads
From the Autumn Term (2021) school risk registers to be reviewed at SLT meetings and risks which cannot be managed at school level to be transferred to Central level for consideration at Headteacher team meetings.	Heads
Central Team to provide direction on risks identified at SLT following group assessment. Risks which cannot be managed locally to be added to the central risk register	Central Team
Emerging or existing risks which require immediate action between Headteacher Team meetings will be reported by exception to the COO for addition to the central risk register, and to the Central SLT for action. These risks will be assessed, with mitigations and actions agreed	Heads
Trust Level Risk	
Risks and agreed mitigations in the live Trust risk register will be assessed by risk owners regularly, with an update on mitigation progress provided to the COO in advance of Headteacher Team meetings, and one week in advance of audit and resources committee meetings (so that the Trust register can be shared with Committee members)	Central Team
Emerging or existing risks which require immediate action between audit and resources committee meetings will be reported by exception and mitigations will be agreed remotely with the CEO	Central Team
The risk register will be discussed at audit and resources committee meetings, with priority given to emerging risks, high scoring residual risks and risks where mitigations are not seen to be progressing within agreed timescales	Audit and Resources Committee

Appendix B - Exception/ Highlight Report

LIKELIHOOD

	Very Low	Low	Medium	High	Very High
Very High	5	10	15	20	25
High	4	8	12	16	20
Medium	3	6	9	12	15
Low	2	4	6	8	10
Very Low	1	2	3	4	5

IMPACT

Risk Detail
<u>Emerging Risk</u>

Business Objective Threatened	Risk	Likelihood	Impact	Score	Mitigation(s) Applied	Responsible Person

<u>Existing Risk</u>

Risk ID	Risk	Residual Risk Rating	Current Control	Agreed Mitigation	Responsible Person	Movement Since Review

Additional Action to Be Taken

Risk ID	Action Taken Above Agreed/Existing Mitigation(s)	Revised Score Post Mitigation(s)			Comments
		Likelihood	Impact	Score	

Board Commentary

Comments	Agreed Actions and Target Completion Dates