



# **RISK ASSESSMENT POLICY**

**Presented to**  
**Trustee Resource Committee**  
4 December 2019

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<sup>1</sup> This is the date the policy was approved by the meeting

<sup>2</sup> This is the date the policy was reviewed prior to its approval above

<sup>3</sup> This is the date as set by the policy review clause or the date approved plus two years

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# RISK ASSESSMENT

## Introduction

Risk assessment is a process whereby the Trust considers all predictable occurrences that would prevent it meeting the objectives set out to ensure that all students maximise their performance.

### 1. Risk Management objectives

The objectives for managing risk across the Trust are:

- To comply with risk management best practice;
- To ensure reasonable risks facing the Trust are identified and appropriately documented;
- To provide assurance to the Trustees and Local Governing Committees that known risks are being adequately controlled, or identify areas for improvement;
- To ensure appropriate action is taken in relation to accepting, mitigating, avoiding and transferring risks.

### 2. Risk Management strategy

This strategy aims to:

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

#### 2.1. Roles and responsibilities

The Chair of Trustees (CoT) and Chief Executive Officer (CEO) have overall responsibility for risk management. The Site Managers (SM) have lead responsibility for risk management processes and Trust Finance Manager (TFM) the College-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 Trustee Resource Committee and Full Trust Board.

A risk assessment review will be carried out on an annual basis. However, additional risk assessments will take place at any time within the calendar, should it be necessary. Risk is a standing item on the agenda for each meeting of the Trustee Resource Committee.

#### 2.2. Identification of risks

Our approach to risk management is linked to the Trust's strategic aims and objectives.

- High achievement and high value add;
- Outstanding staff, leadership and management;
- Outstanding infrastructure;
- Financial strength;
- Inspiring and supportive culture;
- Strong community and partnerships.

The risk areas have been broken down into four categories: Strategic and Reputational, Operational, Compliance and Financial.

These risks need to be assessed for likelihood (probability) and impact.

**Likelihood (Probability)** is assessed on a scale of 1 - 5, with 5 being extremely likely and 1 being extremely unlikely.

**Impact** is assessed on scale of 1 - 5, with 5 being extremely harmful or high severity, and 1 being low severity.

#### 2.3. Evaluation of risks

The Risk Management Standard states that risks should be evaluated against agreed criteria to make decisions about the significance of risks to the organisation.

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The Trust uses a 5x5 matrix to assess impact and likelihood (probability), as illustrated in the diagram below:

IMPACT	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
		1	2	3	4	5

Likelihood (Probability)

### 2.4. Risk appetite

The term risk appetite describes the Trust's readiness to accept risks and those risks it would seek to reduce. The Trust's risk threshold is the boundary delineated by the grey shaded area (represented by scores of 10 and above) in the risk matrix in paragraph 2.3. Above this threshold, the Trust will actively seek to manage risks and will prioritise time and resources to reducing, avoiding or mitigating these risks.

### 2.5. Addressing risks

When responding to risks, the Trust will seek to ensure that it is managed and does not develop into an issue where the potential threat materialises.

The Trust will adopt one of the 4 risk responses outlined below:

Avoid (Terminate)	Counter measures are put in place that will either stop a problem or threat occurring or prevent it from having an impact on the business.
Transfer	The risk is transferred to a third party, for example through an insurance policy.
Mitigate (Treat)	The response actions either reduce the likelihood of a risk developing, or limit the impact on the Trust to acceptable levels.
Accept (Tolerate)	We accept the possibility that the event might occur, for example because the cost of the counter measures will outweigh the possible downside, or we believe there is only a remote probability of the event occurring.

## 3. Risk Reporting and Communication

The aim of reporting risk is to provide assurance to the Trustees, Governors, Chief Executive Officer, Senior Management and Auditors that the Trust is effectively managing its risks and has a robust system of internal controls.

### 3.1. Risk register

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

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 in Trustee, Governor or Senior Management Team (SMT) meetings, or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register and reported to the next Trustee Resource Committee.

### 4.2 Communicating Risks

The SMT in respective Trust entities will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered by the Trustees, along with a summary of actions taken.

The SMT 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;

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

#### **4.3 Annual risk review and assessment**

The internal audit review provides an annual assessment of the effectiveness of the Trust's management of risk.

The annual review of the risk assessment policy will take place annually in September. This will enable review of:

- The significant risks facing the Trust;
- The effectiveness of the risk management processes;
- That the Trust has published a risk management policy covering risk management philosophy and responsibilities.

Columns of register will indicate:

- Description of risk;
- Likelihood (probability);
- Impact;
- Risk factor;
- Action/Control Procedure;
- Person(s) responsible;
- Date of next review, 'on-going' will be reviewed annually.

#### Key to entity names

Four Cs MAT	Trust (includes all entities below)
Arthur Mellows Village College	AMVC
Fulbridge Academy	FA
Discovery Primary Academy	DPA
Hampton Vale Primary Academy	HVPA
Teach East SCITT	SCITT
Greater Peterborough Teaching School Alliance	GPTSA

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## Risk Register

Strategic and Reputational	Likelihood	Impact	Risk Factor	Response	Action Plan – Controls and Monitoring		
					Action	Person(s) responsible	Review
The Trust is not operating within its objectives	1	4	4	Accept	Trustees/SMT annual review of activities and strategic plan against objects.	Trustees/COT/CEO	Ongoing
Entities within the Trust receives unfavourable Ofsted report	1	4	4	Accept	Monitoring teaching & learning to Ofsted specifications.	COT/CEO/SMT	Ongoing
Insufficient demand for Trust's service leaves it unsustainable	1	4	4	Accept	Open evening, primary links and year 12 focus	COT/CEO/SMT	Ongoing
Presence of other competitor organisations with similar objectives	2	4	8	Mitigate	Quality activities on Open Evenings. Close relationships with key feeder Schools.	COT/CEO/SMT	Ongoing
Beneficiaries/other stakeholders do not consider that the Trust provides a valuable/high quality service	1	4	4	Accept	Open Evenings etc provide feedback to staff.	COT/CEO/SMT	Ongoing
Risk of financial loss/inability to replace items if Trust does not have adequate insurance cover	1	4	4	Transfer	Full insurance cover in place. Reviewed annually	COT/CEO/CFO	Annually
Information security risk	1	4	4	Accept	ICT Policy, Firewalls and website security for students and staff.	COT/CEO/SMT	Annually
Objectives of the Trust are controversial or may attract a high level of public interest	1	4	4	Accept	COT/CEO review strategy annually	COT/CEO	Ongoing
Salary, Facilities Management and administration costs are perceived, by the public, to be too high	1	4	4	Accept	COT/CEO to monitor via benchmarking	COT/CEO	Ongoing
Trustee is perceived to be holding high levels of revenue reserves	1	4	4	Mitigate	As the Trust starts to build its reserves funds they will be transferred to capital reserve	COT/CEO/CFO/TFM	Ongoing
Fraud discovered at the Trust attracts adverse publicity	1	5	5	Mitigate	All procedures to be re-evaluated and documented Internal audit financial checks in place and externally verified	COT/CEO/CFO	Ongoing
Failure to comply with Health and Safety legislation results in someone being injured and attracting adverse publicity	2	4	8	Mitigate	Review and monitor H & S practices H&S committee report to Trustees	COT/CEO/SMT	Ongoing
Failure to comply with employment law resulting in litigation attracts adverse publicity	1	4	4	Mitigate	Review and Monitor all HR practices. Guidance from HR provider	COT/CEO/SMT	Ongoing

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Strategic and Reputational	Likelihood	Impact	Risk Factor	Response	Action Plan – Controls and Monitoring		
					Action	Person(s) responsible	Review
Trustees delegate too little/too much to the Headteachers or other members of the SMT	1	4	4	Mitigate	Terms of reference apply and these are reviewed annually	Trustees/COT/CEO	Ongoing
The Trust fail to ensure rigorous monitoring in the absence of Headteachers or other members of the SMT	2	4	8	Mitigate	Trustees regularly review all aspects of the Trust	Trustees/COT/CEO	Ongoing
There is a serious outbreak of communicable disease	2	4	8	Mitigate	Ensure that the Disaster Recovery Plan is updated on a continual basis	COT/CEO/SMT	Annually
Resource requirements required to deliver key objectives are not fully identified	2	4	8	Mitigate	Ensure that all projects have fully costed business plans completed prior to authorisation and implementation.	CEO/SMT/SMs	Ongoing
The Trust fails to achieve adequate surpluses for it to replace capital items as they reach the end of their lives	2	4	8	Mitigate	Long term budget forecasting to be carried out to ensure that adequate surpluses are generated.	COT/CEO/CFO/TFM	Ongoing
New initiatives detract management from core business objectives thus threatening critical objectives	1	4	4	Mitigate	COT/CEO review new initiatives if for the good of College	COT/CEO	Ongoing

## Risk Register

Operational Risks	Likelihood	Impact	Risk Factor	Response	Action Plan – Controls and Monitoring		
					Action	Person(s) responsible	Review
Information produced (financial and non-financial) for Trustees and SMT is not accurate or not in a format suitable for monitoring the performance of the College	1	4	4	Mitigate	Regular review by Trustee Committees, CEO, CFO, TFM with Auditors	COT/CEO	Ongoing
Management information is not available quickly after the period to which it relates	1	4	4	Mitigate	Regular review and meetings with CEO/SMT with managers	CEO/SMT	Ongoing
Management information is not subject to review and that action is taken after the review	1	4	4	Mitigate	Regular review and meetings with CEO/SMT with managers	COT/CEO	Ongoing
Trustees have insufficient experience of entities or education sector	1	4	4	Accept	Training as appropriate	COT/Trustees	On-going
Trustees have a lack of expertise in specific areas	1	4	4	Mitigate	Trustees call in external consultants	COT/Trustees	Ongoing
Trustees become too involved with the management of the entities and are not independent.	1	4	4	Accept	Monitor by COT	COT/CEO/ESFA	Ongoing
Members of the management team have insufficient experience of Trust or education sector	1	4	4	Mitigate	Training and recruitment processes are in place for all members of the management team	COT/CEO	Ongoing
Loss of a key member of staff due to illness or other reason	2	4	8	Mitigate	Continual training and succession planning	CEO/SMT	Ongoing
Loss of key financial personnel	2	4	8	Mitigate	Contingency plan in place to cover AO/CFO and TFM responsibilities. Meeting schedule informs and updates key personnel to mitigate risk	CFO/TFM	Ongoing
Staff morale declines to an unacceptable level	1	4	4	Mitigate	Regular staff meetings and surveys	COT/CEO/SMT	Ongoing
Poor retention of staff leads heavy requirement of recruitment	1	4	4	Mitigate	Performance management system in place	CEO/SMT	Ongoing
Recruitment processes lead to the recruiting of the wrong person or someone unsuitable to work with children	1	4	4	Avoid	Full procedures for interviews, references and DBS checks are in place	COT/CEO/SMT	Ongoing
Staff matters not referred to HR professionals may lead to litigation	2	4	8	Avoid	All staff to be briefed on procedures to be followed	CEO/SMT	Ongoing
Continual training of staff does not take place	1	4	4	Mitigate	SIP strategy for continuous staff development plans with suitable budget allowance	CEO/SMT	Annually

## Risk Register

Operational Risks	Likelihood	Impact	Risk Factor	Response	Action Plan – Controls and Monitoring		
					Action	Person(s) responsible	Review
A Fatality to a member of staff, student or visitor	1	4	4	Mitigate	H&S policy in staff handbook. H&S training has been rolled out Staff H&S inductions held. Sufficient insurance guards against financial loss. Risk assessments for high risk areas. Risk management audit held. Safety committee formed.	CEO/SMT/SMs	Ongoing
Income is heavily reliant on a single funder	1	4	4	Accept	Funding agreement with ESFA in place	Trustees/CEO	Ongoing
Grants receivable may not be used for the purpose for which they were given	1	3	3	Mitigate	Monitor actual expenditure against budget/grant specifications Cost Centres used to separate income received. Documentation held and liaison with granting body maintained.	CFO/TFM	Ongoing
Grant receivable reporting guidelines are not kept to	1	3	3	Accept	The ESFA always warn Academies when a return is due	CEO/CFO/TFM	Ongoing
Suppliers are connected to either a member of the board or staff	2	4	8	Mitigate	Declarations of interest to be made by all governors and budget holders as directly involved in the selection process. Business and Pecuniary Interest policy.	COT/CEO/ CFO/TFM	Annually
Dependency on suppliers is restricted in terms of choice or availability	1	3	3	Accept	No fully dependant suppliers are in use.	CEO/CFO	Ongoing
Service providers fail to perform of have poor risk management which impacts on the Trust	1	3	3	Accept	Careful monitoring off all suppliers will result in some being removed from the Approved Supplier List should they fail to perform	CEO/CFO/TFM	Ongoing
Failure of IT systems leading to data/communications loss	1	5	5	Avoid	Data backups in place and checked routinely. Disaster Recovery Plan reviewed	CEO/SMT/IT Mgrs.	Annually
Major disruption of the building due to fire, flood or other disaster	1	5	5	Mitigate	Review Disaster Recovery Plan to ensure that recovery actions are in place	CEO/SMT/SMs	Annually
Insufficient Leadership and Management within the MAT to oversee the building and designing of MDPA/SA	2	4	8	Mitigate	Senior Management capacity to be increased at FA and AMVC utilising new school start-up grant	CEO/COO	Ongoing



## Risk Register

Compliance Risks	Likelihood	Impact	Risk Factor	Response	Action Plan – Controls and Monitoring		
					Action	Person(s) responsible	Review
Legislative requirements regarding employment law are not complied with	1	4	4	Accept	Regular contact with HR provider. The Trust carries legal cover insurance.	CEO/SMT	Ongoing
Legislative requirements regarding discrimination are not complied with	1	4	4	Accept	Trust has an Equal Opportunities Policy and statement	CEO/SMT	Ongoing
Legislative requirements regarding GDPR are not complied with that could lead to data being used inappropriately	1	4	4	Accept	Registered with Information Commissioners Office which provides guidance for the control of personal data.	CEO/SMT/DPO	Annually
Legislative requirements regarding freedom of information are not complied with	1	4	4	Accept	Trust has a Freedom of Information Publication Scheme	CEO/SMT	Ongoing
Legislative requirements regarding equal opportunities are not complied with	1	4	4	Accept	Trust has an Equal Opportunities Policy and statement	CEO	Ongoing
Legislative requirements regarding statutory accounts are not complied with	1	4	4	Accept	Trust has a strong Finance team who work alongside the ESFA , Auditors	CEO/CFO/TFM/ Auditors	Annually
Legislative requirements regarding Accounting standards are not complied with	1	4	4	Accept	Trust has a strong Finance team who work alongside the ESFA , Auditors	CEO/CFO/TFM/ Auditors	Annually
Legislative requirements regarding SORP are not complied with	1	4	4	Accept	Trust has a strong Finance team who work alongside the ESFA , Auditors	CEO/CFO/TFM/ Auditors	Annually
Legislative requirements regarding Charities Act are not complied with	1	4	4	Accept	Trust has a strong Finance team who work alongside the ESFA , Auditors	CEO/CFO/TFM/ Auditors	Ongoing
Legislative requirements regarding tax changes are not complied with	1	4	4	Accept	Trust has a strong Finance team who work alongside the ESFA , Auditors	CEO/CFO/TFM/ Auditors	Ongoing
Trustees are not aware of legislative requirements	1	4	4	Accept	Auditors recommend changes through internal audit and annual reporting	Trustees/CEO/ CFO/TFM	Annually
Legislative requirements regarding Child Protection are not complied with	1	4	4	Accept	Full staff training is in place alongside a Child Protection policy	CEO/SMT	Ongoing
Legislative changes regarding food safety are not complied with	1	4	4	Accept	Experienced catering provider with their internal audit/Health and Safety requirements	CEO/SMT	Ongoing

## Risk Register

Financial Risks	Likelihood	Impact	Risk Factor	Response	Action Plan – Controls and Monitoring		
					Action	Person(s) responsible	Review
The Trust cannot meet its budgets and runs at a deficit	2	4	8	Avoid	Management accounts are produced monthly to SMT and presented at every Trust Resources Committee for action to be planned, taken and monitored	CEO/CFO/TFM	Annually
Changes in funding are not reacted to in a speedy manner	1	4	4	Mitigate	Any funding change is reported at COT/CEO/CFO/ C of RC in a speedy manner	CEO/CFO/TFM	Annually
Fraudulent activity within the Trust	1	4	4	Mitigate	Financial regulations and procedures are reviewed regularly. Internal and external audit checks in place. Any suspicion of fraud is reported to the COT immediately. All staff to be made aware of Financial regulations and Procedures and their responsibilities.	COT/CEO/CFO/TFM	Ongoing
Expenditure is incurred or committed to without adequate authorisation	1	4	4	Mitigate	Financial procedures are embedded within the Trust. These include authorisation limits	Trustees RC /CEO/CFO/TFM	Ongoing
Local Government pension Scheme is in deficit	1	4	4	Accept	Obtain annual valuations from Local Government Pension Scheme actuaries. Provide in full in company accounts as per FRS17	COT/CEO/TFM/Auditors	Annually
Invoices are not raised for all transaction	1	4	4	Avoid	Budgets are checked monthly to ensure that anticipated income is received. All new income streams not anticipated at budget build time to be notified to TFM	CEO/CFO/TFM	Annually
New Health and Safety legislation results in increasing costs	2	4	8	Accept	Changes in legislation are inevitable. Careful consideration of all changes to be reported to the COT	CEO/SMT/SM	Ongoing