



Risk Management Policy

Policy Code	HS5
Policy start date	September 2020
Policy review date	September 2021

1. Guiding principles

- 1.1 The trust recognises that risk management is an essential element of its Governance Framework and fundamental to the sustainable operation of its academies and to its organisational growth.
- 1.2 The trust's risk framework is developed in the context of the delivery of its mission and vision.
- 1.2 The management of risks within the CIT is undertaken within a framework comprising:
- Scheme of Delegation
 - Trust Board and committee terms of reference
 - Risk appetite statement
 - Risk register
 - Policies and controls
 - Internal and external audits

2. Roles, Responsibilities and Implementation

- 2.1 The Trust Board has overall responsibility for the effective operation of this policy. The Board has delegated the day to day responsibility for operating the policy to the Director of Governance and Operations.
- 2.2 Review of the effectiveness of the Risk Framework itself (i.e. quality assurance of risk management *processes* rather than risk register *content*) is the responsibility of the Trust Board's Finance, Audit and Estates committee. Internal Audit resources are directed by this committee to provide assurance regarding the operation of this risk management policy and framework.

3. Risk appetite

- 3.1 The risk appetite statement specifies the amount of risk the trust is willing to seek or accept in the pursuit of its long term strategy. It indicates the parameters within which the trust would want to conduct its activities.
- 3.2 The trust recognises the following advantages of defining its risk appetite;
- More conscious and consistent decision-making about taking (or avoiding) risks
 - Improved strategic planning by identifying which risks to take and which to avoid
 - Decision makers are empowered to take decisions consistent with the defined risk appetite
 - The fostering of a more risk aware culture
 - Enhanced corporate governance, which helps to ensure stakeholders are satisfied

3.3 Statement of risk appetite

The CIT's approach is to minimise its exposure to safeguarding, compliance, reputational and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of its strategic priorities. The trust recognises that it's appetite for risk varies according to the activity, and that its acceptance of risk is subject to ensuring that potential benefits and risks are fully explored, and fully understood, before developments are authorised and that measured to mitigate risks are established and agreed.

4. Risk framework

4.1 Three broad types of risk are recognised:

- **Project Risks** – risk arising from a particular programme eg a new build, the implementation of a new curriculum etc
- **Operational Risks** - day to day risks that have to be managed
- **Strategic Risks** - the game changing risks that influence the achievement of the organisation's mission and vision plus major internal risks eg financial risk and compliance risks

4.2 Two broad categories of **Strategic Risk** are recognised:

- Risks linked to the trust's Strategic priorities
- Risks that are cross cutting

4.3 The table below sets out the risk categories linked to each of the broad areas of risk in 4.2. The risk categories have been taken from *HM Government (2020) Orange Book – Management of Risk Principles and Concepts*

	Risk Category
	Risks linked to Strategic Priorities
1	Leadership
2	Standards
3	Engagement
4	Support Hub
5	Venture
	Cross Cutting Risks
6	Governance
7	Operations
8	Legal
9	Property
10	Financial
11	Commercial
12	People
13	Technology
14	Information
15	Security
16	Safeguarding
17	Reputational

5. Risk management procedures and risk registers

5.1 Types of Risk

Project Risks - each significant project will have its own risk register linked to the successful achievement of the project's agreed outcomes

Operational Risks – the day to day risk that have to be managed by staff are not identified on risk registers

Strategic Risks – each of the seventeen categories of strategic risk identified above have their own section in the trust's risk register and each area is assigned to a risk owner.

5.2 Risk Register

5.2.1 In each section of the risk register, more specific details of risks are articulated and evaluated using a scoring system which takes account of:

- the hypothetical probability of the risk materialising
- the potential impact it would have
- the risk-mitigating measures and controls currently in place across the trust

5.2.2 gives a 'net residual risk' score which is deemed either acceptable or not acceptable. If not acceptable, then details of further risk-mitigating measures are included in the risk register, including when they will be implemented. Where the need for further risk-mitigating measures have been thus identified, these are included in the annual objectives of the relevant executive, and subject to annual review and appraisal.

5.2.3 The risk register is a 'living document' and is updated by each risk owner as and when required (at least twice per year) and reviewed cyclically by the executive. Scores may be adjusted and risks added or removed. The register is administered by the Personal Assistant to the Executive Leadership

6 Compliance risk and Policy management

6.1 The development of clear well-communicated policies, along with appropriate levels of awareness-raising and training, are fundamental elements of the risk management process.

6.2 The trust has developed a complete set of trustwide policies which are published both on the Trust website and on each academy website. Each academy has a designated person who is the single point of contact with the central CIT governance team to ensure that policies and other statutory information are consistently updated and published.

6.3 Each trustwide statutory policy has an executive-level owner and a primary editor. A schedule is maintained for review and trustee approval of these policies at an appropriate frequency. This schedule also summarises the measures in place to ensure staff understanding and compliance in practice.

6.4 Whilst each academy headteacher is ultimately responsible for policy compliance within their academies, the CIT School Support Service function employs specialist dedicated trustwide resources to support academies meet

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their compliance obligations in specific areas such as safeguarding, health and safety, offsite trips and visits, SEND, and careers and employability skills, as well as more generally in HR and finance.

6.5 Though the trust aim not to have to rely on external inspections, the recommendations arising from the compliance aspects of Ofsted inspections also contribute to this aspect of risk management.

7. Trustee oversight and assurance

7.1 The CIT Board of Trustees review the sections of the risk register at least twice per year. Risk categories 1 – 6 are reviewed by the full board and risk categories 7 – 17 by the Finance, Audit and Estates Committee. The latter report their findings to the full board at least twice a year.

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This Policy has been approved the Trust Board of CIT on the 9th September 2020