

# **Risk Management Policy**

Policy Code:	HS5	
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Policy Review Date:	January 2025	

#### 1. Guiding principles

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.

The Trust's risk framework is developed in the context of the delivery of its mission and vision.

The management of risks within the CIT is undertaken within a framework comprising:

- Scheme of Delegation
- Assurance Framework
- Trust Board and Committee Terms of Reference
- Risk appetite statement
- Risk register
- Policies and controls
- Internal and external audits

## 2. Risk appetite

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.

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. Statement of risk appetite

The Trust'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 its 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 measures to mitigate risks are established and agreed.

When considering potential expansion of the Trust, a risk appetite grid has been developed which sets out a spectrum of risk across a number of core dimensions (see Appendix1). In the first instance the aim of the risk appetite grid is to support Trust Board discussion around its preferred risk appetite when considering whether to give the CEO the go ahead to pursue a potential opportunity for the Trust to acquire an additional school.

## 4. Risk framework, risk management procedures and risk registers

The Trust recognises that finite resources must be intelligently and responsibly allocated across completing priorities. To this end the Trust uses a methodology which identifies and evaluates risks and ensures measures are in place to reduce all risks to an acceptable level.

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

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

#### **Strategic Risks**

The Trust has a framework of grouped risk categories against which executive ownership and Trustee scrutiny are assigned.

The grouped risk categories are:

Operational risks	Security risks			
Property risks	Safeguarding risks			
Legal risks	Information risks			
Financial risks	Reputational risks			
Commercial risks	Health and Safety risks			
People risks	Over / under training risks			
Technology risks	Education			
Key risks to the achievement of the current strategic priorities of the Trust				

Each of the categories has their own section in the Trust's risk register and each area is assigned to an executive risk owner.

In these sections, 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

This then 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.

The risk register also includes the contingency actions that will be taken if the identified risk manifests and the triggers which will activate the contingency action.

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.

Each academy and its Local School Board is expected to be aware of the Trust's risk register and to draw to the attention of a Director of Education any local matters that may increase risk

in each risk category. The Directors of Education are required to keep each risk owner aware of any matters drawn to their attention.

#### 5. Compliance risk and policy management

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

The Trust has developed a complete set of Trust-wide policies which are published both on the Trust website and on each academy website. The Head Teacher at each academy acts as the designated person who is the single point of contact with the central CIT governance and communications teams to ensure that policies and other statutory information are consistently updated and published.

Staff awareness of policies is managed in a number of ways, including:

- Induction
- Staff training
- Staff briefings

Each Trust-wide 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.

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

Each academy has a Local School Board which is remitted to provide the Trust Board with assurances regarding policy compliance.

#### 6. Trustee oversight and assurance

The risk register lists each of the risk categories which the Audit & Risk Committee, or the Trust Board itself, has the responsibility for assurance scrutiny linked to the identified risk controls/mitigations. The Trust Board's risk assurance work is undertaken in association with the risk assurance reporting that the members of the Executive Team provide on a regular basis. A record of committee and whole Trust Board based risk assurance work is kept by the Trust's clerk. The record keeps track of which risk mitigations are scrutinised by Trustees and when. This allows for any unscrutinised risk mitigation to be identified and then built into meeting agendas for consideration. Risk mitigation assurance work undertaken by the Audit & Risk Committee and other committees is reported to the full Board.

Commissioned, Internal (3<sup>rd</sup> Party) Audit resources are directed towards the assurance of a selection of key risk mitigations. The focus of audit is considered and chosen by the Audit & Risk Committee annually.

Review of the effectiveness of the risk register itself (i.e. quality assurance of risk management processes rather than risk register content) is the responsibility of the Risk & Audit Committee.

#### Appendix 1

### Risk appetite grid

This document sets out a spectrum of risk across core dimensions relevant to CIT when considering potential expansion of the Trust. In the first instance the aim is to support a Trust Board discussion around its preferred risk appetite when considering whether to give the CEO the go ahead to pursue a potential opportunity for the Trust to acquire an additional school. Such decisions will always need to be considered in their wider context both internally (e.g. particular challenges that might have arisen within one or more our schools, or the wider Trust) and externally (e.g. Ofsted outcomes).

Consistent with the Scheme of Delegation, these decisions need to be considered at the following 'stage' gates:

- 1. Contact with Regional Schools Commissioner to discuss potential new school and begin initial preparatory work
- 2. Approval to progress to:
  - a) Due diligence on proposed sponsorship/ voluntary conversion of school/SAT/MAT; or
  - b) Continue conversation/provide further background information with enquiring school/SAT/MAT; or
  - c) Begin application process for Free School.
- 3. Approval to complete Sponsored Academisation or Voluntary Conversion

By implication, any early soundings can progress without Trust Board consultation i.e. where no resources are being committed beyond informal discussions.

The Trust Board may determine it is appropriate to tighten the articulated risk appetite as a project moves through the 'stage' gates, e.g. to be more relaxed about the criteria to be met in the initial preparatory stage when there is less information/certainty compared to later in the process when greater resources will need to be committed.

	Averse	Cautious	Moderate	Open	Seeking
	Avoidance of risk and	Preference for safe options	Preference for	Willing to	Eager to be innovative
	uncertainty	that have a low degree of	moderate risk	consider all	and to choose options
		inherent risk	options that	potential	that have greater
			have some	options	inherent risk
			degree of		
			inherent risk		
Strategic	Clearly aligned with all 5	Clearly aligned with all 5	Clearly aligned	Clearly aligned	Clearly aligned with all
alignment	strategic pillars	strategic pillars	with all 5	with all 5	5 strategic pillars
	(Leadership, Standards,	(Leadership, Standards,	strategic pillars	strategic pillars	(Leadership,
	Engagement, Support hub,	Engagement, Support hub,	(Leadership,	(Leadership,	Standards,
Qualitative/	Venture)	Venture)	Standards,	Standards,	Engagement, Support
quantitative			Engagement,	Engagement,	hub, Venture)
evidence	There are clear material	There are clear benefits to	Support hub,	Support hub,	
against each	benefits to children that	children that can be	Venture)	Venture)	There are some
of the 5	can be realised with no	realised with minimal			benefits to children
strategic	discernible execution risk	execution risk to the Trust/	There are some	There are some	that can be realised
pillars	to the Trust/ other schools	other schools in the Trust,	benefits to	benefits to	with moderate
	in the Trust, in terms of the	in terms of the 'value add'	children that can	children that can	execution risk to the

Evidence of	'value add' over and above	over and above the	be realised with	be realised with	Trust/ other schools in
benefits to	the financial	financial	minimal	moderate	the Trust, in terms of
children	the illiancial	IIIIaiiciai	execution risk to	execution risk to	the 'value add' over
Ciliuren	The new school will not	The new school will not	the Trust/ other	the Trust/ other	and above the
Location of	increase the Trust's overall		schools in the	-	financial
Location of		materially increase the		schools in the	IIIIaliciai
new school	strategic risk	Trust's overall strategic risk	Trust, in terms	Trust, in terms	The many selections.
			of the 'value	of the 'value	The new school may
	The geographical location	The geographical location	add' over and	add' over and	increase the Trust's
	of the new school is in	of the new school is in	above the	above the	overall strategic risk
	Leicestershire/	Leicestershire/	financial	financial	
	Nottinghamshire (SEN), or	Nottinghamshire (SEN), or			The geographical
	Lincolnshire/Leicestershire/	Lincolnshire/Leicestershire/	The new school	The new school	location of the new
	Nottinghamshire	Nottinghamshire	may increase	may increase	school could be
	(mainstream primary)	(mainstream primary)	the Trust's	the Trust's	outside Lincolnshire,
			overall strategic	overall strategic	Leicestershire or
			risk	risk	Nottinghamshire (SEN
					and mainstream
			The	The	primary)
			geographical	geographical	
			location of the	location of the	
			new school is in	new school is in	
			Lincolnshire/	Lincolnshire/	
			Leicestershire/	Leicestershire/	
			Nottinghamshire	Nottinghamshire	
			(SEN and	(SEN and	
			mainstream	mainstream	
			primary)	primary)	
Reputation	We have a zero risk	We have a low risk appetite	We have a	We have a	We have a moderate
(incl impact	appetite for potential	for potential damage to	moderate risk	moderate risk	risk appetite for
of not	damage to our reputation.	our reputation. We have	appetite for	appetite for	potential damage to
pursuing the	We have no willingness to	very limited willingness to	potential	potential	our reputation. We
opportunity)	explore opportunities/	explore opportunities/	damage to our	damage to our	are willing to explore
	projects which through	projects which through	reputation. We	reputation. We	opportunities/
Qualitative/	their controversial or	their controversial or	have limited	have some	projects which
quantitative	thorny nature may have	thorny nature may have	willingness to	willingness to	through their
assessment	some impact on our	some impact on our	explore	explore	controversial or
of likely	reputation should we fail to	reputation should we fail to	opportunities/	opportunities/	thorny nature may
reputational	succeed.	succeed.	projects which	projects which	have some impact on
risk			through their	through their	our reputation should
	We are prepared to stop	We are prepared to stop	controversial or	controversial or	we fail to succeed.
	activity or pursue an	activity or pursue an	thorny nature	thorny nature	
	opportunity in the early	opportunity in the early	may have some	may have some	We are willing to
	stages to protect our	stages to protect our	impact on our	impact on our	continue an activity or
	reputation.	reputation.	reputation	reputation	not pursue an
			should we fail to	should we fail to	opportunity in the
			succeed.	succeed.	early stages even
			54,00004.	ou o o o o o o o	where there could be
			We are	We are less	some negative impact
			prepared to stop	likely to be	to our reputation.
			activity or	prepared to stop	
			pursue an	activity or	
			opportunity in	pursue an	
			the early stages	opportunity in	
			to protect our	the early stages	
			reputation.	to protect our	
			reputation.	reputation.	
Impact on	The investment in	The investment in	The investment	The investment	The investment in
existing	progressing to the next	progressing to the next	in progressing to	in progressing to	progressing to the
schools	stage of the potential	stage of the potential	the next stage of	the next stage of	next stage of the
30110013	acquisition process could	acquisition process will not	the potential	the potential	potential acquisition
Views of key	have a positive impact (but	have any negative impact	acquisition	acquisition	process could have
stakeholders	no negative impact) on the	on the Trust's existing	process could	process is likely	some negative impact
		OUTTHE THIST'S EXISTING	i brocess codia	i Diocess is likely	i some negative impact
including	Trust's existing pupils.	pupils.	have an	to have some	

RSC, staff,			insignificant	negative impact	across much of the
parents and	If the Trust is successful in	If the Trust is successful in	negative impact	across a	Trust's existing pupils.
children	the acquisition of the	the acquisition of the	on the Trust's	minority of the	
	school, the support that	school, the support that	existing pupils.	Trust's existing	If the Trust is
Qualitative/	the school needs to	the school needs to		pupils.	successful in the
quantitative	develop/ improve can be	develop/ improve can be	If the Trust is	16.1 -	acquisition of the
assessment	secured without any	secured without any	successful in the	If the Trust is	school, the support
of the impact on the	negative impact on its	negative impact on its existing schools	acquisition of	successful in the acquisition of	that the school needs to develop/improve
expected	existing schools	existing schools	the school, the support that the	the school, the	can only be secured
improvement	All existing schools are	All existing schools are	school needs to	support that the	with some negative
journey of	expected to remain on at	expected to remain on at	develop/	school needs to	impact on its existing
each existing	least their current school	least their current school	improve can be	develop/	schools.
school	improvement journey	improvement journey	secured with	improve can	
	(Repair, Improve, Sustain)	(Repair, Improve, Sustain)	insignificant	only be secured	At least 50% of
			negative impact	with some	existing schools are
			on its existing	negative impact	expected to remain on
			schools	across a	at least their current
				minority of its	school improvement
			At least 90% of	existing schools.	journey (Repair,
			existing schools	A. 1 6-7 6	Improve, Sustain)
			are expected to	At least 70% of	
			remain on at	existing schools	
			least their current school	are expected to remain on at	
			improvement	least their	
			journey (Repair,	current school	
			Improve,	improvement	
			Sustain)	journey (Repair,	
			,	Improve,	
				Sustain)	
Finance	The new school is likely to	The new school is likely to	The new school	The new school	The new school is
Current	be a net contributor to Trust reserves in the first	have a neutral impact on Trust reserves in the first	is likely to have	is likely to have	likely to need short term and medium-
reserve level	year	year	some negative impact on Trust	some negative impact on Trust	term funding from
of new	year	year	reserves in the	reserves in the	Trust reserves to
school	The acquisition of the	The acquisition of the	first year	first year	develop/ improve the
	school can be shown to be	school is likely to have	, , , , ,	, , , , ,	school
Output from	positively impactful on the	some positive impact on	The acquisition	The acquisition	
the Strategic	Trust's Strategic Financial	the Trust's Strategic	of the school is	of the school	The acquisition of the
Financial	Model/ sensitivity analysis	Financial Model/ sensitivity	likely to have	can be shown to	school can be shown
Model/		analysis	some positive	have no	to have no negative
sensitivity	We are not willing to fall		impact on the	negative impact	impact on the Trust's
analysis	below our 3.5% minimum	We are not willing to fall	Trust's Strategic	on the Trust's	Strategic Financial
Faucanat	reserves	below our 3.5% minimum	Financial Model/	Strategic	Model/ sensitivity
Forecast Trust		reserves	sensitivity analysis	Financial Model/ sensitivity	analysis
reserves			analysis	analysis	We are willing to fall
. 030, 703			We are not	anarysis	below our 3.5%
			willing to fall	We are not	minimum reserves
			below our 3.5%	willing to fall	provided the ESFA 3%
			minimum	below our 3.5%	minimum reserves is
			reserves	minimum	likely to be maintained
				reserves	in the short and
					medium term
Estates	The new school has no	The new school brings with	The new school	The new school	We are willing to
	existing buildings i.e. it will	it existing buildings that	brings with it	brings with it	accept a new school
Age/state of	require entirely new	have >3 years of remaining	existing	existing	with no indemnity to
repair of new	buildings, which will be	indemnity to cover future	buildings with	buildings with	cover future defects
school	indemnified for 10 years	defects.	no indemnity to	no indemnity to	and where there are
buildings			cover future	cover future	likely to be material
			defects, but they are in an	defects, but where there will	repairs needed.
			uicy die iii dii	where there will	

			T , , ,	Ι, .	
			adequate (or	be some repairs	
			better) state of	needed.	
			repair.		
People	Our people are our most	Our people are our most	Our people are	Our people are	Our people are our
Overliterative /	important asset and	important asset and	our most	our most	most important asset -
Qualitative/	wellbeing is a key driver	wellbeing is a key driver	important asset	important asset	wellbeing and giving
quantitative	when considering new schools	when considering new schools	-wellbeing and	-wellbeing and	them more
assessment	SCHOOLS	SCHOOLS	giving them more	giving them more	opportunities to develop are key
of key person risk	We do not tolerate key	We have a minimal	opportunities to	opportunities to	drivers when
TISK	person risk and recruit in	appetite for key person risk	develop are key	develop are key	considering new
Assessment	advance to ensure	and manage our activity	drivers when	drivers when	schools of our activity
of likely	eliminate key person risk	and recruitment to	considering new	considering new	Schools of our activity
people	eminate key person risk	minimise it	schools of our	schools of our	In order to achieve
development	We have capacity within	Tillininge it	activity	activity	maximum impact, we
opportunities	our existing ELT to manage	We have capacity within	detivity	activity	are flexible in
оррогитись	several unforeseen events	our existing ELT to manage	We have some	We recognise	recruiting to our needs
ELT capacity	or challenges that might	several unforeseen events	appetite for key	that our	and are willing to take
assessment	emerge	or challenges that might	person risk by	recruitment	key person risk in
	3	emerge	recognising that	needs may	having single
Qualitative	We reward in line with	We reward in line with	our recruitment	change and flex	individuals with
and	equivalent local authority	equivalent local authority	needs may	and are open to	expertise.
quantitative	levels and put in place	levels and put in place	change and flex.	a degree of key	
assessment	rigorous controls,	rigorous controls,	We manage our	person risk in	We have limited
of our	employment and	employment and	activity and	specialist roles.	capacity within our
reward	recruitment policies to	recruitment policies to	recruitment to	We manage our	existing ELT to manage
package	eliminate risk	eliminate risk	reduce key	activity and	material unforeseen
			person risk.	recruitment	events or challenges
				flexibly to	that might emerge
			We have	ensure	
			capacity within	maximum	We offer tailored
			our existing ELT	impact.	reward to attract and
			to manage one	MA barra	retain the best talent
			material unforeseen	We have	at the best value for
			event or	capacity within our existing ELT	money. Our recruitment and
			challenge that	to manage one	employment policies
			might emerge	material	are tailored to attract
			illigitt citicige	unforeseen	and retain staff.
			We reward in	event or	and retain stain
			line with	challenge that	
			equivalent local	might emerge	
			authority levels		
			and are open to	We reward in	
			flexible	line with	
			arrangements to	equivalent local	
			recruit the best	authority levels	
			staff. We have	for the majority	
			rigorous	of roles but will	
			controls,	tailor our	
			employment	offering for key	
			and recruitment	roles. Our	
			policies in place	recruitment and	
			to minimise risk	employment	
				policies are	
				tailored to	
				attract and	
				retain staff.	