



Risk Management Policy

Approved by:

Board of Trustees

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1. Statement of intent

Orchard Community Trust recognises the importance of change management and the association with risk. The number 1 priority for Orchard Community Trust is offering its pupils the best possible education. To do this, it is necessary to progress and make necessary changes to all areas of work if required. This ultimately creates risk. Therefore, the Trust will always take a proactive approach towards risk management.

The capitulation of a risk could result in the Trust being negatively impacted in a way which may jeopardise the achievement of objectives and the maintenance of priorities, such as:

- Safeguarding
- Health and safety
- Finances
- Reputation
- Data protection
- Quality of teaching
- Staff retention
- New projects.

2. Definitions

Risk – A risk in this context is the identification of anything which may be likely to negatively impact the Trust's aims and objectives. Risks can arise from within the Trust because of decision making, which are generally easier to control, or they can come from outside the Trust and tend to be harder to control.

Capitulation – The word 'capitulation' is used throughout this policy to differentiate between the presence of risk and what the consequences of this risk will be. In the context of this policy, 'capitulate' means the risk fails to resist and the consequences materialise.

Risk appetite – A risk appetite is the level of risk the Trust is willing to accept in the pursuit of achieving its goals. Minimising safeguarding, compliance, reputational and financial risk is important; however, it is often necessary to take other risks to achieve strategic goals. A risk appetite gives an idea of whether the risk is

3. Roles and responsibilities

The Board of Trustees is responsible for:

- The overall approach to risk management in the Trust, including ultimate oversight of the Trust's risk register
- Reviewing the risk register annually
- Ensuring risks are identified, managed, measured and reported appropriately by the correct people
- Appointing an audit and risk committee
- Delegating responsibility to manage areas of risk, where applicable.

The Audit Risk and Resource Committee will be responsible for:

- Directing the Trust's programme of internal scrutiny
- Ensuring that risks are being addressed appropriately through internal scrutiny
- Reporting to the Board of the adequacy of the Trust's internal control framework including financial and non-financial controls and management of risks.

The Chief Executive Officer (CEO) is responsible for:

- The overall implementation of Risk management across the MAT

- Acknowledging, mitigating and preventing risks which endanger the safety of pupils, staff and visitors
- Ensuring risk-taking does not conflict with the Trust's health and safety policy.

The Chief Operating Officer (COO) is responsible for:

- The update and upkeep of the MAT strategic risk register (BAF)
- Communicating with school leaders to ensure the school sites are safe to attend in the event of adverse weather
- Ensuring that school level risk registers are adequately informing the BAF
- Supporting the Headteachers in identification of operational risks.

The Chief Financial Officer (CFO) has responsibility for:

- Overseeing the effective use of the Trust's resources and assessing where investment might be required
- Arranging for mitigation or prevention measures to be put in place where financial investment and business operations create a risk
- Approving, creating and reporting on all financial matters including budgets and management accounts
- Supporting the Headteachers in identification of financial risks.

The Headteacher is responsible for:

- Ensuring the effective and consistent implementation of the Trust's approach to risk management in their school
- Reporting to their LGB, Board of Trustees and Audit, Risk and Resource Committee, as required
- Notifying Executive leaders of new or emerging risks.

The designated Data Protection Officer is responsible for:

- Ensuring the Trust's data is secure and protected from external risks
- Putting mitigation measures in place for the transfer of data and reporting these to the CEO
- Ensuring risk-taking does not conflict with the Trust's data protection policy.

Local Governing Boards are responsible for:

- Reviewing the school risk register on an annual basis
- Informing Trustees and the CEO if the measures in place to mitigate risks are inefficient
- Upholding their delegated responsibilities as per the scheme of delegation.

All staff are responsible for:

- Defending and upholding the Trust's reputation and protecting the Trust from the negative impact of risk on a day-to-day basis
- Reporting risk and control failures to the senior leaders within the MAT.

4. Risk appetite statement

Orchard Community Trust will not take unnecessary risks unless they are justifiable. If taking a risk indicates that the Trust's reputation and operation could be jeopardised, Trustees will always consider the likelihood of this happening and how the risk will be controlled.

Orchard Community Trust accepts that risk is inevitable and is part of improvement, development and implementation; however, risk taking will be subject to the satisfactory completion of assessment and due diligence.

Where the cost or consequence of the risk and its likelihood of capitulating is deemed too high, and the methods involved which create the risk cannot be amended or removed to decrease the probability of severe consequence, the action will not take place as long as the Trust can control this.

The risk appetite will be informed by an understanding of the Trust's capacity, such as finances and staff availability, to mitigate the risk and secure positive outcomes.

5. Identifying and categorising risk

For all risk categories there will be reference to mitigation or contingency plans which will help to minimise the impact of risks.

Internal risks – These risks will be, to some extent, under the control and responsibility of the Trust and are a consequence of the decisions which it makes and events arising from within the Trust.

- The Trust will conduct risk assessments for all activities related to internal risks
- The Trust will maintain full control and responsibility for internal risks and assessing the associated risks
- Communication with decision makers and stakeholders will be prioritised when identifying internal risks
- Everyone who is impacted by the capitulation of an identified risk will be fully informed and made aware of what could happen.

External risks – The Trust will prepare for external events, e.g. a pandemic or extreme weather, and considers how to make us more resilient to such events. The following actions to manage external risks will be taken:

- To take all necessary action to avoid negative impacts associated with the capitulation of external risks, including the implementation of contingency planning for unpredictable events
- As part of contingency planning, funds will be made available to aid the recovery from unexpected events which negatively impact the Trust's finances. Policies and procedures will be under constant review to ensure they are compliant with changes in statutory requirements for Academy Trusts
- The site will be made safe to attend and appropriate action will be taken if extreme weather threatens the safety of any pupils, staff or visitors
- To protect the Trust's pupils and assets, security measures will be in place and unauthorised visitors will not be permitted on the school site.

Strategic risks – Risks involved in the achievement of the Trust's core objectives will be considered and identified. The Trust will take the following actions to manage strategic risks:

- The Board Assurance Framework will be followed identifying where assurances linked to strategic risk will come from, then monitored and evaluated on the strategic risk register
- The Trust will take steps to communicate and listen to all staff members to limit staff turnover and ensure quality of provision
- The Trust's decision-making, planning and prioritisation will be continually monitored by maintaining a structured understanding of the wider environment
- Efficient allocation and use of resources will be supported
- Core decisions will be made by the Board of Trustees and action will only take place where there is the required level of agreement
- Orchard Community Trust will seek to find positive solutions for all stakeholders.

Project risks – The Trust’s involvement in critical projects, e.g. new buildings, will be subject to an assessment of how the project will be completed, what the benefits will be and whether the risk involved will benefit the Trust to a satisfactory standard. Orchard Community Trust will take the following actions to manage project risks:

- To avoid harm to individuals or damage to assets, risk assessments will always be carried out before any building work takes place
- The Trust will ensure all projects are affordable, beneficial and within the limits of financial constraints and budgets. This includes future affordability for both internally and externally funded projects.

The categorisation of risks have 5 distinct areas:

- 1) Governance and Leadership
 - a. *Mat Governance*
 - b. *Mat Leadership*
- 2) Business and Operation functions
 - a. *Finance*
 - b. *Estates*
 - c. *IT / Cyber*
 - d. *Sustainability*
- 3) High Quality Education
 - a. *Education*
 - b. *Digital*
 - c. *Early Years*
 - d. *Christian Distinctiveness*
 - e. *Data and Attainment*
 - f. *Attendance*
 - g. *Inclusion*
 - h. *Safeguarding*
- 4) School improvement
 - a. *Improvement*
 - b. *Collaboration*
 - c. *Enrichment*
- 5) Workforce and resilience
 - a. *HR*

6. Measuring risk

Having identified a risks, risk owners will measure and rank these to help assess whether the risk is worthwhile and if the risk is likely to be detrimental to the overall aims and objectives.

The identification of which risks have low, medium or high impact on its aims and objectives and will take all the necessary steps to mitigate consequences.

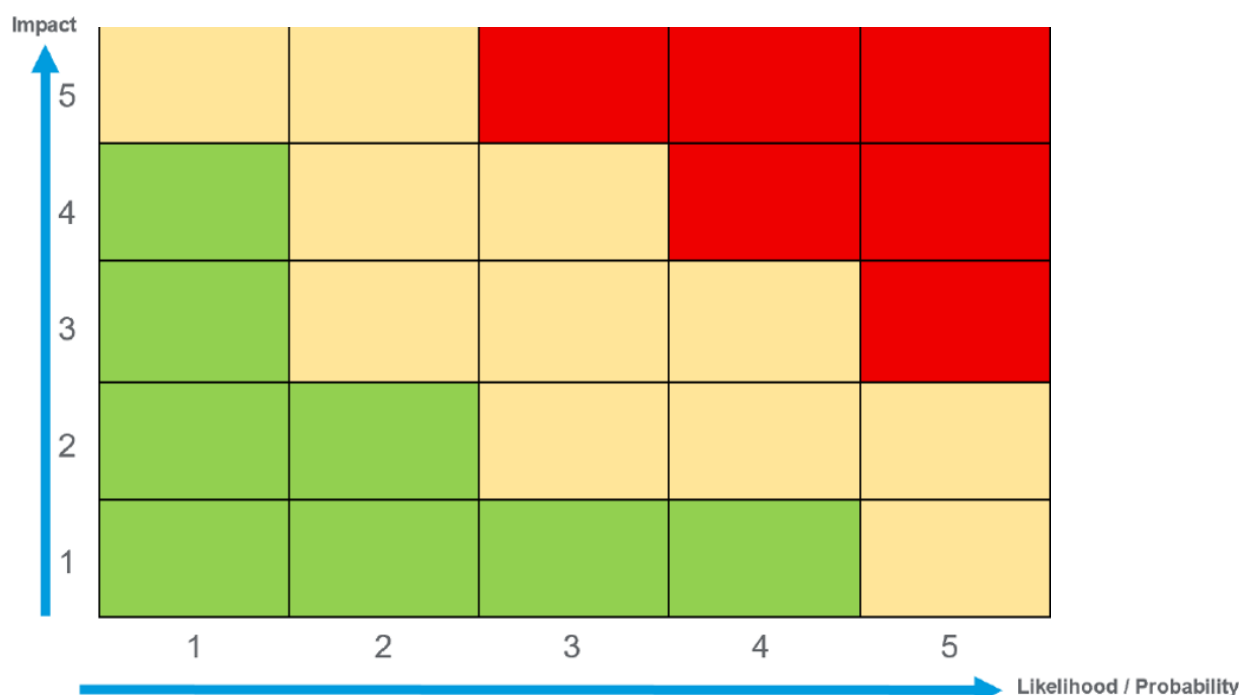
The risk appetite and risk tolerance grid will always be adhered to. Where the likelihood of a risk capitulating and the impact of this is very high, the Trust will not tolerate the risk and prioritise risks which are less likely to have a negative impact on the objectives.

Where the risk tolerance grid indicates that an activity is too perilous, actions will be taken to reduce the risk score to mitigate this risk and minimise the impact or likelihood of capitulation.

Risks which are deemed low level may be accepted but will still include an element of monitoring within the annual cycle. Medium level risks will be monitored with mitigation plans in place should the impact and likelihood of capitulation increase for any reason. Identification of high-risk elements will ultimately result in very close scrutiny and monitoring (monthly basis).

The below table outlines what level of risk will be tolerated. This table will be utilised whenever making operational decisions. The columns are numbered from one (low risk/green) to three (very high risk/red) to indicate when risks cause intolerable detriment towards the objectives, reputation and operations.

Figure A – Scoring Matrix



(Red) – Unless uncontrollable, e.g. external risk, or necessary, the Trust will not carry out risks which are considered to have a high negative impact, especially if the likelihood of the risk capitulating is high unless necessary and tight controls are in place that are agreed.

(Amber) – These risks pose a moderate level of risk with the potential to become high and to proceed would still require tight assurance monitoring by the risk owners. Caution must be taken where the impact is high, but the likelihood is low and communicated accordingly.

(Green) – Where the impact and likelihood are low, the Trust will proceed to take risks with minimal additional precautions in place as controlling the risk does not raise any significant concerns. However, this does not detract from monitoring these risks.

7. Managing risk

After assessing, evaluating, and ranking the risks using the table above, risk owners will implement preventative controls such as contingency planning.

Trustees will discuss and challenge the effectiveness of these controls and determine if they are appropriate within the ARR committee.

Strong methods for risk prevention and mitigation will allow for greater control of the risk and consider the capacity of the Trust's resources to deal with mitigating or preventing the risk.

To manage risks, the Trust will:

- Evaluate the risks identified and consider if they fall within the acceptable risk appetite by evaluating if the associated control measures are deemed necessary for the level of risk or intended impact.

- Treat the risk through contingency planning and preparation to minimise the likelihood of occurrence and impact.
- Terminate risk by altering and removing potential risks, making rational decisions, and deciding when the risk is too high to perform an action.

8. Monitoring and reporting risk

The Trust will monitor its risk profile continuously and recognise the changing landscape of this.

As advised by the DFE, a risk register will be maintained to identify and document risks and control measures.

The Risk Register will be reviewed by Trustees on an annual basis within the ARR committee as appropriate.

The information reported to the board of Trustees and the audit, risk and resource committee will help decide whether risks are being performed within the Trust's risk appetite and are being thoroughly mitigated.

The number of risks reported and assessed will be a manageable number to ensure the Trust's quality control and understanding of risks is not diminished.

Local Governing Boards will be reassured that risk management processes are effective through the termly agendas for LGB meetings.

Local Governing Committees will also review the school risk registers annually that will inform the overall BAF for the MAT. (Recorded and reported) Where applicable, Local Governing Committees will be made aware of significant risks and how the Trust will manage these.

All staff are responsible in reporting early signs of risk through to senior leaders so that action can be taken promptly.

The Trust will report to stakeholders regarding the effectiveness of its risk management processes on an annual basis.

The risk register will identify risks within the 5 distinct areas as mentioned with analysis of mitigations and movement of risk within each defined category.

9. Insurance

The Trust is a member of the risk protection arrangement (RPA).

10. Monitoring and review

This policy will be reviewed by the Trustees within the AR&R committee on an annual basis.