

Risk Management Strategy

RELATING TO

All Academies of the Shaw Education Trust
for the financial year 1st September 2016 to 31st August 2017

WAS APPROVED BY THE MANAGEMENT BOARD

ON

SIGNED BY MEMBER OF THE BOARD

NAME [Print].....

POSITION.....

History of most recent policy changes

Date	Page e.g. whole document	Detail of Change	Origin of Change e.g. Reason for change or Change in legislation

1 Risk Management Strategy

The Risk Management Strategy aims to ensure that the Shaw Education Trust complies with risk management best practice and sets out the current processes and responsibilities for risk management in the MAT.

- 1.1. The requirements can be summarised as:
 - The Directors acknowledge responsibility for the system of internal control
 - An ongoing process is in place for identifying, evaluating and managing all significant risks
 - An annual process is in place for reviewing the effectiveness of the system of internal control
 - There is a system in place to deal with internal control weakness or failures

- 1.2. In assessing what constitutes a sound system of internal control, consideration should be given to:
 - The nature and extent of the risks facing the organisation
 - The extent and categories of risk which it regards as acceptable
 - The likelihood of the risks concerned materialising
 - The organisation's ability to reduce the incidence and impact of the risks that do materialise

The trust will ensure there is sufficient risk management in place to ensure that it and its schools remain compliant with legal and moral requirements. Such mitigations should ensure compliance with financial, Health and Safety and child protection regulations as a minimum and would include activities such as fire alarm testing, fixed electrical testing, and ensuring safe working practice. These controls will be managed through a timetabled testing/audit system which will be published regularly to the Trust's audit committee. The trust will also develop a duty holder matrix to ensure staff locally and at trust level are aware of their responsibilities.

2.1. Roles and responsibilities

The Shaw Education Trust Senior Leadership Team (SLT) has overall responsibility for managing risk. The Director of Operations has lead responsibility for risk management processes and the MAT-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 Audit Committee
- Delegating responsibility locally via a Duty Holder register

The Risk Register is formally reviewed each term by the Principal Finance Officer and the Audit Committee. The Risk Register is a standing item on the Audit Committee's agenda and they will monitor the identification and mitigation of risk within Shaw Education Trust. The Audit Committee's review of the Risk Register forms part of that Committee's report to the Directors Board.

2.2. Identification of risks

The Risk Management Standard states that risk identification should be approached in a methodical way to ensure that all significant activities have been identified and all the risks flowing from these activities have been defined.

The structure and organisation of the MAT'S risk register seeks to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified.

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.

The descriptors for high, medium and low impact and probability can be expanded as follows:

Impact of risk occurring

Impact	Description
High	The financial impact will be significant [in excess of £100,000]. Has a significant impact on Shaw Education Trust's strategy or on teaching and learning
Medium	The financial impact will be moderate [between £25,000 and £100,000] Has no more than a moderate impact on strategy or on teaching and learning. Moderate stakeholder concern
Low	The financial impact is likely to be low [below £25,000] Has a low impact on strategy or on teaching and learning. Low stakeholder concern

Probability of risk occurring

Probability	Description	Indicator
High	Likely to occur each year, or more than 25% chance of occurrence within the next 12 months	Potential of it occurring several times within a 4 year period. Has occurred recently
Medium	Likely to occur within a 4 year time period or less than 25% chance of occurring within the next 12 months	Could occur more than once within a 4 year period. Some history of occurrence
Low	Not likely to occur within a 4 year time period or less than 5% chance of occurrence	Is not likely to occur

2.4. Addressing risks

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

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

Avoid	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	The response actions either reduce the likelihood of a risk developing, or limit the impact on Shaw Education Trust to acceptable levels.
Accept	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 Directors, Senior Management and Auditors that Shaw Education Trust is effectively managing its risks and has a robust system of internal controls.

3.1. Risk register

The reporting mechanism will be Shaw Education Trust's Risk Register. This will highlight the key risks facing the MAT, as well as a breakdown for each key strategic aim. The Risk Register will be monitored by the Audit Committee on a termly basis.

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 by Shaw Education Trust SLT, Directors or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register.

3.2 Communicating Risks

The Audit Committee monitors the risk register each term. The Director of Operations will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered and reported to the Audit Committee, along with a summary of actions taken. The Director of Operations will endeavour to raise awareness that risk management is a part of Shaw Education Trust's culture and seek to ensure that:

- individual members of staff are aware of their accountability for individual risks
- individuals report promptly to senior management any perceived new risks or failure of existing control measures.

3.3 Annual risk review and assessment

The Responsible Officer/Internal Auditor review provides a termly assessment of the effectiveness of Shaw Education Trust's management of risk.

The Director of Operations will prepare an annual review of risk for the Audit Committee annually in the autumn term. This will enable the Audit Committee to report to the Board of Directors on:

- The significant risks facing Shaw Education Trust
- The effectiveness of the risk management processes
- That the MAT has published a risk management strategy covering risk management philosophy and responsibilities

4. Areas for improvement

Any areas identified as being in need of improvement will be discussed and agreed each term at the Audit Committee.