



**St Ralph  
Sherwin**  
Catholic Multi Academy Trust



# Risk Management Policy

Version 1  
October 2023



One of three Catholic  
Multi Academy Trusts in  
the Diocese of Nottingham



## Document Provenance

<b>Title of policy:</b>	Risk Management Policy	
<b>Author and policy owner in the Executive Team:</b>	Governance Manager	
<b>Version number:</b>	1	
<b>Date approved:</b>	17 <sup>th</sup> October 2023	
<b>Approved by:</b>	Trust Board	
<b>Date of next review:</b>	16 <sup>th</sup> October 2027	
<b>Document review and editorial updates:</b>		
<b>Version control</b>	<b>Date</b>	<b>Key revisions included</b>
Version 1	October 2023	



**'Let the wise hear and increase in learning, and the one who understands obtain guidance.'** Proverbs 1:5

## 1. Introduction

Identifying and managing the possible and probable risks that an organisation is, or may face, is a key part of effective governance. Key building blocks for an effective risk management culture include:

- Creating positive risk management behaviours and culture.
- Establishing roles and responsibilities.
- Communicating risk information.
- Identifying risks, including those responsible for managing them.
- Assessing risks and establishing tolerance.
- Addressing risks, including contingency arrangement.
- Reviewing and monitoring risks, including 'deep dives'.
- Reporting on risk.

By managing risk effectively, Foundation Directors can help ensure that:

- significant risks are known and monitored, enabling Foundation Directors, Headteachers and leaders to make informed decisions and take timely action;
- the Trust makes the most of opportunities and develops them with the confidence that any risks will be managed; forward and strategic planning is improved, and the Trust's Catholic mission and strategic aims are achieved in the most effective way whilst delivering value for money.

## 2. Contexts

Organisations will face some level of risk in most of the things they do. The diverse and changing nature of the education sector means that schools and trusts face different types of risk and levels of exposure.

In terms of categorising risks, they can fall into different categories including:

Governance Risks	<ul style="list-style-type: none"><li>• A safeguarding failure that doesn't protect the pupils and staff across the Trust's settings.</li><li>• Falling pupil outcomes or adverse inspection outcomes due to poor oversight.</li></ul>
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	<ul style="list-style-type: none"><li>• Non-compliance with funding agreements, the Academies Trust Handbook, or other statutory requirements.</li><li>• Ineffective leadership or organisational culture that doesn't reflect the Trust's Catholic mission and values nor fosters a culture of transparency, accountability and respect.</li><li>• A GDPR breach.</li><li>• A health and safety breach.</li></ul>
Financial risks	<ul style="list-style-type: none"><li>• The Trust is unsustainable as a going concern.</li><li>• Unbudgeted school or central team expenditure.</li><li>• Significant adverse and unbudgeted changes to funding or operational costs.</li><li>• Significant changes to pension liabilities.</li><li>• Investment failures.</li></ul>
Policy, Regulation	<ul style="list-style-type: none"><li>• Changes in political direction.</li><li>• Changes in employment regulations.</li><li>• Changes in charity regulations.</li></ul>
Market Demand	<ul style="list-style-type: none"><li>• Falling pupil numbers as a consequence of demographic changes or expansion of free schools.</li><li>• An inability to recruit and retain people to key positions.</li></ul>
Fraud Risk	<ul style="list-style-type: none"><li>• Fraud risk – payroll</li><li>• Fraud risk – accounts payable</li><li>• Theft</li><li>• Cyber attack</li></ul>
Third party	<ul style="list-style-type: none"><li>• Failure of key suppliers/ partners.</li><li>• Significant cost rises by third party suppliers.</li></ul>

The means through which such risks can be managed and mitigated include:

**TRANSFER** - transferring the financial consequences to third parties or sharing it, usually through insurance or outsourcing.

**TOLERATE** - accepting or assessing it as a risk that cannot be avoided if the activity is to continue. In turn introducing strategies to manage or reduce the negative impact of a specific risk.

**TERMINATE**- avoiding the activity giving rise to the risk completely.



### 3. Risk Assessment and Categorisation

Identified risks need to be put into perspective in terms of the potential severity of their impact and likelihood of their occurrence. Assessing and categorising risks helps in prioritising and filtering them, and in establishing whether any further action is required.

Key is to look at each identified risk and decide how likely it is to occur and how severe its impact would be on the Trust if it were to occur.

Risks which have very high impact, but low likelihood of occurrence will hold greater importance than those with a very high likelihood of occurrence and an insignificant impact. In these cases, the concept of impact and the likelihood of risks occurring and their interaction should be given prominence in both the risk assessment and risk management processes.

If an organisation is vulnerable to a risk that potentially might have an extremely high impact on its operations, it should be considered and evaluated regardless of how remote the likelihood of its happening appears to be.

CMATs need to find a balance with the need to weigh the nature of risk and its impact alongside its likelihood of occurrence. With limited resources, the risks and the benefits or rewards from the activity concerned will need to be considered. It is important to bear in mind that on rare occasions improbable events do occur with devastating effect (e.g. an arson attack on a school) whilst at other times probable events do not happen.

The means by which St Ralph Sherwin CMAT categorises risk is as follows:

In terms of **likelihood**:

Grade	Financial Risk (£)	Likelihood	Uncontrolled Occurrence	Controlled Occurrence
1	1	Lifetime	This scenario has not been recorded at the academy before, but it has been known to occur in another establishment; it is rare.	This scenario has not been recorded at the academy before and the controls in place should ensure it does not occur in the foreseeable future.
2	100	Years	This scenario may not have been recorded at the academy before, but	This scenario has not been recorded at the academy before and the controls in place



			it has been recorded at least once in another establishment(s) within the last few years.	have significantly reduced the chance of the event materialising.
3	1000	Terms/Quarters	This scenario may have been recorded at the academy before and/or regularly happens at other establishments on a termly/quarterly basis.	This scenario has been recorded at the academy before, but the controls in place have significantly reduced the frequency of the event materialising.
4	10000	Weeks	This scenario has been recorded at the academy before and/or regularly happens at other establishments on a weekly basis.	This scenario has been recorded at the academy before, but the controls in place have reduced the frequency of the event materialising.
5	100000	Days	This scenario is almost certain to occur. It has been recorded several times at the academy and regularly happens at other establishments on a daily basis.	This scenario has been recorded at the academy before and the controls in place have limited impact on the event materialising or there are no controls to reduce the likelihood. The event is an inherent part of running the academy.



In terms of impact:

Grade	Impact										
	£'s	Student Numbers	Student Numbers FTE Days	Ofsted	DCI	SSEF Management Leadership	SSEF Learning and Teaching	Audit	Injuries	Compliance	Impact
1	100	0	1	Outstanding				Minor Findings	First Aid	Advisory	Remote
2	1,000	1	5	Good				Minor Management Letter	Minor Treatment	Failure	Unlikely
3	10,000	2	50	Requires Improvement				Significant Findings	Hospital Admission	Warning	Possible
4	100,000	20	500	Serious Weaknesses				Severe Management Letter	Loss of Limbs/Senses	Fine	Probable
5	1,000,000	200	5000	Special Measures				Qualified Accounts	Qualified Accounts	Death	Certain



A focus on high-impact risks is important, but what may be a lower impact risk can change to very high impact risk because of the possible connection between it happening and triggering the occurrence of other risks.

One low impact risk may lead to another and another so that the cumulative impact becomes extreme or catastrophic. Many studies have shown that most business failures are the result of a series of small, linked events having too great a cumulative impact to deal with rather than a single large event (many safeguarding children reviews highlight a series of smaller opportunities for intervention that could have prevented a catastrophic safeguarding event). If organisations only look at the big risks they can often end up ill-prepared to face the interaction of separate adverse events interacting together.

Risk scoring often involves a degree of judgement or subjectivity. Where data or information on past events or patterns is available, it will be helpful in enabling more evidence-based judgements.

## **4. Roles and Responsibilities**

Ultimately the Trust Board is responsible for the overall risk appetite of the CMAT in terms of that balance between mitigating risks and delivery against the Trust's Catholic mission and strategic aims. The Trust Board delegates oversight to the Audit, Risk and Governance Committee. The Risk Register should be reviewed by the Trust Board at least annually and by the Audit, Risk and Governance Committee at each meeting.

The Chief Executive Officer, Central Leadership Team and Headteachers are responsible for the day-to-day operational oversight and management of risk and reporting to the Board on the mitigation of risk as it arises. CLT will review the risk register monthly to map new or changing risks in readiness for reporting to the Trust Board. School based risks will be reviewed with Headteachers through the Team Around the School process.

The risk register will be shared with the Trust's auditors and Members as part of their oversight role of the CMAT.