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Risk Management Policy and Procedure

REVIEW DUE:	FEBRUARY 2020
LAST REVIEW	February 2019
APPLICABLE TO:	All Trust Schools
REVIEWED BY:	SD
APPROVED BY:	Board of Trustees

The Board of Trustees of the Bath and Mendip Partnership Trust have agreed this policy, therefore this policy applies to all schools within The Bath and Mendip Partnership Trust.

1. Introduction

- a. The purpose of this policy and procedure is to outline the risk management strategy of the Bath & Mendip Partnership Trust – the “Trust”. The Trust sets out strategic and business objectives and risk management is the discipline by which risks that threaten the achievement of those objectives are identified and managed as part of the planning process. In a complex organisation such as a school or multi-academy trust, there are hundreds of risks – for example a child falling over in the playground, a loss of money through fraud, a dissatisfied parent, one group of pupils doing less well in a school year than expected, an assault on a member of staff and so on. The Risk Register does not list every one of the hundreds of things that could go wrong. Only risks that are significant at a Trust level are listed and of those, the majority will be classed as moderate to very low and therefore not requiring particular actions and controls other than the normal operating routines and procedures of the individual schools and Trust.
- b. Under charity law the Board of Trustees is responsible for making a statement on risk management in the annual accounts. This statement must confirm that the major risks, to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.
- c. “Risk” is used in this policy and procedure to describe the uncertainty surrounding events and their outcomes that might have a significant effect, either enhancing or inhibiting: operational performance; achievement of aims and objectives; or meeting the expectations of stakeholders.
- d. “Major risks” are those risks that have a high likelihood of occurring and would, if they

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occurred, have a severe impact on operational performance, achievement of aims and objectives, or could damage the reputation of the Trust.

- e. Risk Management is the process by which risks are identified, assessed, prioritised, managed and monitored. It is not about eliminating risk but about understanding it and managing it more effectively. It is about promoting a culture of risk awareness. It is part of the school's system of Internal Control.
- f. This Policy explains the Trust's approach to Risk Management, outlines key aspects of the process and identifies the main reporting procedures. Trustees and Governors use the School's internal control procedures to identify, evaluate and put in place effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated. Properly controlled risk taking is necessary to the success of the organisation to build capacity for the future and deliver against the strategic goals set out in the Trust strategic plan.
- g. The specific procedures for the implementation of this policy and the personnel responsible are detailed below.
- h. In order to be able to make the required statement with reasonable confidence the Trustees will endeavour to ensure that:
 - There is an appropriate and robust process for identifying and assessing risks together with the appropriate identification and implementation of mitigation and control measures;
 - The process covers all areas of risk, e.g. governance and management, operational, financial, educational, safety, reputational and external factors and is focused primarily on major risks
 - The process produces a risk exposure profile that reflects the Trustees views as to levels of acceptable risk;
 - The principle results of risk identification are regularly (at least annually) reviewed and evaluated and managed;
 - The risk management is ongoing and embedded in management and operational procedure.
 - Risks have been correctly identified and evaluated as recorded on the Risk Register
 - The risk management framework and internal control framework is operating effectively
 - Management is properly reporting the status of key risks and controls.
- i. The Policy is reviewed annually by the Audit and Finance Committee.

2. Approach to Risk Management

- a. The Academy Board has overall responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the school's public and other funds and assets, in accordance with the

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Funding Agreement and the Academies Financial Handbook issued by the Education Funding Agency (EFA).

- b. There is an open and receptive approach to resolving risk issues.
- c. The Audit and Finance Committee advises the Academy Board on Risk Management. The Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- d. All members of the Academy Board and the School's Leadership Team are responsible for encouraging and implementing good Risk Management practice within the School.
- e. Early warning mechanisms are in place and monitored to alert the School to any risk events or near misses so that suitable remedial action can be taken.
- f. The process of risk identification will involve both Trustees, the SLT and School Leaders. Consideration will be given to the following factors:
 - The vision, beliefs, values and strategic goals of the Trust;
 - The nature and scale of the Trust and its schools' activities, both current and planned;
 - External factors that may affect the Trust and its schools such as legislation and regulation
 - The reputation of the Trust and its schools with its key stakeholders;
 - The operating structure of the Trust and its schools
- g. In terms of sequence and responsibility the following will take place:
 - The CEO/SLT will draw up the Risk Management Policy and Risk Register for the Trust as a whole
 - Each school leader and their Performance/Line Manager will draw up a Risk Register according to an agreed Trust-wide format for their school
 - The Policy and Risk Register for the Trust will then be scrutinized by the Audit and Finance Committee; the Risk Register will include any 'Red' issues relating to individual schools
 - The Policy and Risk Register will be reviewed by the Board of Trustees with a focus on the High risks
 - Thereafter the Trust Risk Register will be reviewed on a termly basis by the CEO/SLT and on an annual basis by the Trustees; individual school Risk Registers will be reviewed termly by the school leader and line manager.
 - Where specific mitigation and control measures have to be implemented as a result of the review of the Risk Register, actions will be delegated to the appropriate personnel and overseen by the appropriate senior leader
- h. During the sequence of review, the SLT and Trustees will
 - a. Discuss and agree that all involved are satisfied with the list of risks;

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- b. Determine the appropriate response to each risk;
 - c. Assess existing controls and determine appropriate action;
 - d. Identify new risks
 - e. Allocate responsibility for action; and
 - f. Agree future reporting and review procedures.
- i. As is common practice with risk registers, each of the identified risks will be assessed in terms of likelihood of occurrence and then the severity of the impact if they did.
- j. The assessment of each risk will take into consideration on the assumption that the appropriate control measures are in place to manage the risk. The controls identified will be assessed to determine whether they are an appropriate mitigation of the risks identified. The appropriateness of the chosen responses needs to be considered, i.e. it is as important to avoid over-control of minor risks as well as under-control of serious risks. Over-identification of risks and of control measures runs the risk that there is simply too much to be reviewed and implemented properly.
- k. A final version of the register will be circulated to all senior members of the Trust so that they are aware of the risk management policy and the controls in place to limit exposure to risk. Their focus will be on the areas of High Risk.

3. Role of the Audit and Finance Committee

To set the tone and influence the culture of Risk Management within the School. This includes:

- Determining whether the School is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue.
- Determining which types of risk are acceptable and which are not.
- Setting the standards and expectations of staff with respect to conduct and probity.
- To approve major decisions affecting the School's risk profile or exposure.
- To monitor the management of fundamental risks.
- To be satisfied that the less fundamental risks are being actively managed, with the appropriate level of controls in place and operating effectively.
- To review annually the School's approach to Risk Management and approve changes or improvements to key elements of its processes and procedures.

4. Role of the School's Senior Leadership Team

- To embed risk management into the system of internal control.
- To identify and evaluate the fundamental risks faced by the School for consideration by the Finance and Premises Committee.
- To provide adequate information in a timely manner to the Finance and Audit Committee on the status of risks and controls.
- To assist the Finance and Audit Committee in undertaking an annual review of Risk Management and the effectiveness of the System of Internal Control.

5. System of Internal Control

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The system of internal control incorporates Risk Management. It encompasses a number of elements that together facilitate an effective and efficient operation, enabling the School to respond to a variety of risks.

End of Policy