Title	Risk Management Policy and Strategy Statement
Associated Policies	• Risk Assessment Policy • Whistleblowing Policy • Health and Safety Policy

REVIEWED: September 2022   **NEXT REVIEW: September 2025**

1. Policy Statement

1.1 Brooke Weston Trust recognises its responsibility to defend and promote the sustainability of the Trust and its schools, through sound management of resources and good stewardship of its assets.

1.2 Risk management is the process whereby the Trust methodically addresses the risks attaching to its objectives and associated activities with the goal of achieving sustained benefit within each activity and across the whole range of activities.

1.3 Risk management will be aimed at ensuring that the Trust achieves its objectives in the most effective way and those resources are directed at those objectives. It will not be seen as a separate exercise but as the means of best achieving the Trust's objectives.

1.4 This risk management policy and strategy statement has been designed to provide a framework for managing the risks the Trust faces and ensuring its objectives are achieved in the most effective way.

1.5 This Policy forms part of the organisation's internal control and scrutiny and governance arrangements and is designed to provide assurance that the organisation has adopted best practice in this area and that it is compliant with the Education and Skills Funding Agency Academies Financial Handbook.

2. Who does this policy apply to?

2.1 All staff within the Brooke Weston Trust are to understand that risk management and risk awareness are a key part of the academy's and Trust's culture. All staff are responsible for enabling continuous improvement of risk management response, being accountable for individual risks and reporting regularly and promptly any perceived new risks or failure of existing control measures.

3. Who is responsible for carrying out this policy?

3.1 Board of Directors
The Board of Directors retain overall accountability for the management of risk across the Trust. The Board of Directors are accountable for approving the policy and strategy statement for risk management, including setting the Trust's risk appetite statement and for setting a culture of risk management within the Trust and its academies.

3.2 Audit and Risk Committee
As delegated by the Board of Directors, the purpose of the Audit and Risk Committee is to ensure themselves that BWT has sound internal controls, risk management and assurance processes that adequately identify and manage operational and strategic risk across all Academies in the Trust. Specifically the Committee will:
- Review the Strategic Risk Register, risk reduction plans and the Internal Control & Scrutiny / Audit monitoring documents at its meetings
- Gain assurance on behalf of the board that the risk management process is operating effectively, liaising with other Committees and Review Groups as required
- Escalate areas of major concern to the Board of Directors

See appendix 2 for the strategic risk management information flow.

3.3 Additional Board Subcommittees and best practice Review Groups

As delegated by the Board of Directors, subcommittees and review groups are responsible for maintaining oversight and monitoring risk exposure in their area of activity (i.e. safeguarding, H&S, education standards, finance & resources, school governance) and assessing the progress towards objectives. Committees are responsible for holding Executive leaders to account based on their response to risk management and for escalating any concerns to the Audit and Risk Committee, or directly to the Board of Directors.

3.4 Chief Executive

The Chief Executive has delegated responsibility for the management of risk across the Trust, including:

- Supporting and implementing policies approved by the Trust Board of Directors
- Establishing procedures and structures that support effective risk management
- Responsibility for risk response processes, including contingency and business continuity
- Facilitating information flows to support oversight and management of risks and controls
- Raising the level of management awareness and accountability for the business risks experienced by the Trust
- Developing risk management as part of the culture of the Trust
- Provide a mechanism for risk management issues to be discussed and disseminated to all areas of the Trust
- Responsibility for the maintenance of a separate Strategic Risk Register, including financial risks
- Review key performance indicators and progress towards objectives
- Take necessary action to address adverse departures for objectives
- Report and provide adequate information to the Trust's Audit and Risk Committee on the most significant risks and other committees as required

3.5 Executive Principals

The Executive Principals support the CEO in the management of risk across their academies, maintaining an overview of each academies risk profile and supporting the development of a strong risk management culture. They support appropriate levels of risk and mitigation awareness throughout the schools.

3.6 Principals

School Principals have delegated responsibility for management of risk within their academy with responsibility for updating their risk profile on the risk register. Specifically they will:

- Have primary responsibility for managing risk on a day-to-day basis across the school, in accordance with Trust policy and procedures
- Have responsibility for promoting risk awareness within their school and embedding a positive culture of risk management
- Identify and evaluate the risks faced and record the findings on the risk register
- Ensure that risk management is incorporated at the conceptual stage of projects as well as throughout a project
- Ensure that risk management is a regular management meeting item to allow consideration of exposure and to prioritise work in the light of effective risk analysis
- Report early warning indicators to the Executive Principal, CEO and Executive Leadership Team
- Review regularly (at least termly), the risks which fall into their area of responsibility, the possible impacts these have on other areas and the consequences other areas may have on them
- For financial risks, maintain systems as agreed with the CFO and FC which communicate monthly variances in budgets and forecasts to allow corrective action to be taken where necessary
- Ensure that the academy Risk Register is updated in the light of developments within the academy and the wider business environment
- Ensure accurate reporting of risk in terms of issue and risk values
- Report regularly to the Chief Executive and Executive Leadership Team the progress towards objectives in individual schools

- Report systematically and promptly to the Chief Executive and Executive Leadership Team any perceived new risks or failures of existing control measures

3.7 Chief Finance Officer (CFO)

The CFO has delegated responsibility for the overall management of financial risk at a strategic level. The CFO, with the support of the Finance Controller, supports the Chief Executive Officer in maintaining an overview of operational finance risks across the Trust and escalating these as appropriate. The CFO is responsible for reporting on all finance risk to the Finance and Resources Committee.

3.8 Head of Governance

The Company Secretary will support the CEO in maintaining an overview of the Trust-wide risk registers, specifically:

- Receive all school level risk registers on a regular basis
- Support the Chief Executive and Executive Leadership Team by highlighting any observed new risks or failures of existing control measures

3.9 Local Governing Bodies

LGB's have delegated responsibility for having an oversight of the key risks of the school, and challenges the leadership team on how these are being mitigated and the impact of actions being undertaken.

3.10 Chief Operations and Resources Officer (CORO)

The CORO is responsible for supporting the Chief Executive Officer with implementing an effective risk management process across the organisation. In particular they will:

- Identify and arrange training for all staff in the management of risk
- Develop specific programmes and procedures for establishing and maintaining risk management activities within the Trust
- Ensure the communication dispersal of vital information
- Provide guidance, interpretation and understanding of the risk management systems
- Provide reports to the CEO and Executive Leadership Team and Audit and Risk Committee on the risk exposure of the Trust.

3.11 Other Central Service Leads (Chief Financial Officer, HR Manager, Dir. Of Estates, Operations Officer)

- Liaise regularly with school Principals (at least termly) and contribute to the capturing of risks relevant to their area of specialism on each school's risk register, advising on risk scoring and supporting the use of common language across the school risk registers.
- For financial risks, the CFO will ensure systems are in place to monitor budget variances and forecasts on a monthly basis, allow action to be taken where needed
- Report systematically and promptly to the CFO any perceived new risk or failures of existing mitigating or control measures relating to financial risk
- Where a service is fully managed centrally, maintain a specific risk register for the service area, updated at least termly in light of internal and external factors, and make it available for review by the CFO and Chief Executive Officer
- Report systematically and promptly to the Chief Executive and Executive Leadership Team any perceived new risks or failures of existing control measures

3.12 All staff

- Understand their accountability for individual risks within their control
- Undertake risk training and adopt working methods relating to risk management as directed
- Understand that risk management and risk awareness are a key part of the School's/Trust's culture
- Understand how they can enable continuous improvement of risk management response
- Report systematically and promptly to senior management any perceived new risks or failures of existing control measures

4.	What are the principles behind this policy?

4.1 The overall risk management plan for the Brooke Weston Trust is aimed at:
- Protecting its students, staff and assets
- Managing risk in accordance with best practice and reducing the cost of risk
- Anticipating and responding to changing social, environmental and legislative requirements
- Raising awareness of the need for risk management
- Integrating risk management into the culture of the Trust
- Adopting legal compliance as a minimum standard
- Having a whistle blowing procedure in place, to protect staff who report individuals they believe are doing something wrong or illegal

4.2 These aims and objectives will be achieved by:
- Establishing and maintaining a risk management organisational structure to act in an advisory and guiding capacity which is accessible to all staff
- Maintaining documented procedures for the control of risk
- Providing suitable information, training and supervision
- Maintaining effective communication and the active involvement of all staff
- Maintaining an appropriate incident reporting and recording system, with investigation procedures to establish cause and prevent recurrence
- Monitoring arrangements on an ongoing basis

4.3 Effective risk management protects and adds value to the School/Trust and its stakeholders through supporting the School's/Trust's objectives by:
- Improving decision making, business planning and prioritisation by comprehensive and structured understanding of the wider business environment
- Supporting more efficient allocation and use of resources within the School/Trust
- Enhancing communication between schools and services
- Protecting and enhancing School/Trust assets, reputation and image
- Developing and supporting staff and the School's/Trust's knowledge base
- Helping to focus the internal control and scrutiny and audit plan

Risk Management Approach

4.4 The Trust has responsibility for overseeing risk management within the institution as a whole, including both strategic and operational risks.

4.5 The Trust carries out this responsibility through its Audit and Risk Committee, as delegated by the Board of Directors.

4.6 The Chief Executive and the extended Executive Leadership Team, including school Principals, will ensure that the Risk Management Policy and Strategy Statement is fully embedded across the Trust.

4.7 An open and receptive approach to solving risk problems is adopted by the Trust and its academies and all colleagues within the Trust are encouraged to be involved in the risk management process.

4.8 The Trust operates a Whistleblowing Policy to protect staff who report individuals they believe are doing something wrong or illegal. All whistle-blowers will be responded to properly and fairly, as set out in the Whistleblowing Policy.

4.9 Key risk areas are identified at each Trust academy and across all core service areas and documented using the template risk register. Risk reporting is by exception. Each risk register will use a weighted scoring for all identified risks and detail sources of assurance over the controls in place, relevant to each identified risk. These are closely monitored on a regular basis by relevant academy-based or central-team based staff and reported and updated on a termly basis (3 times per year).

4.10 Principals and Central Service Area Leads will review the school risk registers and action plans on a regular basis. These are escalated through reporting to the Trust and relevant subcommittees on a regular basis, but at least annually. See appendix 2 for the strategic risk management information flow.

4.11 Review and scrutiny of these risk registers will support the identification of the Trust's overall risk exposure and risk management across key areas of its operation.

4.12 Risk management guidance documents will be provided to support those responsible for creating, updating and reviewing risks. Risk management training will also be provided to all relevant staff and specifically to those who are responsible for updating school risk registers.

Risk Appetite Statement

4.13 Brooke Weston Trust recognises five key risks in the pursuit of its objectives and differentiates its appetite for risk as follows:

Safeguarding and welfare
Safety and wellbeing of children and staff is the Trust's first priority. The Trust has no appetite for non-compliance or systems failures in activity designed to keep all children and staff safe and cared for.
Health and Safety
The Trust has no appetite for non-compliance with legislation and regulations designed to ensure our staff and students can work and learn in safe environments. The Trust does tolerate low levels of risk where these are proportionately managed in the pursuit of providing new and challenging experiences for children and young people.
Financial
The Trust has no appetite for operating long term deficits in its overall budget or delegated school budgets however, it tolerates proportionate and limited risk in using unspent funds for targeted investment in school improvement as necessary.
Education standards
This Trust is committed to providing the best possible education for every child. It tolerates proportionate and limited risk in adapting its practice and implementing new initiatives intended to improve the overall quality of provision.
Governance
The Trust has low appetite for risk to its relationship with key governance stakeholders, including regulatory bodies, but it will be robust in arguing for approaches to governance it believes to be responsible and effective.

5. Procedures

Risk Identification

5.1 The key risks that the academy/Trust faces will be those that would stop it achieving its objectives. All areas of activity within the academy/Trust should be considered together with what would stop them being as successful as they should. All identified risks will be aligned to a strategic objective (strategic risk register) or one of the prescribed categories of risk for school risk registers to support monitoring and review.

5.2 As the initial stage in the risk identification process, all staff with responsibility for delivering Trust aims or targets need to understand the Trust's corporate objectives and the legal and regulatory environment in which it operates.

5.3 The second stage is the translation of these objectives into operating aims in the form of plans (these may be school improvement plans or business plans) and performance indicators for each area of activity. This will be an ongoing annual exercise with regular updating of the aims.

5.4 The next step is to identify what would stop each area being as successful as it should. Risks can readily be identified through either brainstorming or a more structured approach.

5.5 Risks will be managed using the following approach:

- **Strategic risk register** – a specific risk register concerned with the long-term strategic objectives of the Trust. This register is managed by the Chief Executive Officer and Executive Leadership Team. The definition of a strategic risk is that it:
    - o Impacts and hinders the ability of the Trust to deliver its strategic objectives
    - o Is likely to be a complex risk, spanning the work of several committees
    - o it is more likely to be large scale (both in financial and other resourcing terms)
    - o Has short and longer term consequences

- **School risk registers** – concern the day-to-day issues that the organisation is confronted with as it strives to deliver its strategic objectives. These risk registers will be kept by each school and will reflect localised risks. Risks will be categorised for the purposes of consistent reporting and aggregation. School level risks may ultimately transition to the strategic risk register.

5.6   The risks that have been identified will be recorded on the risk register for each academy and incorporated, as necessary, into the strategic risk register. Within the risk register, risks will be scored and mitigations captured.

Risk Estimation (Assessing Likelihood and Impact)

5.7   Once the risks that the academy/Trust is facing are identified, they will be prioritised into a manageable order so that action can be focused on the significant risks. At this stage in the risk management process focus will be placed on the risks that threaten the achievement of the academy's/Trust's operating aims and objectives. Risk prioritisation will enable necessary action to be taken at the relevant level of management in the academy/Trust.

5.8   Each risk will be assessed in terms of the **likelihood** of its occurrence, and its **impact** on the academy/Trust, should it occur.

5.9   Not all risks will affect the academy/Trust with the same impact, and some are far more likely to occur within some academies more than others.

5.10 The impact of a risk and the likelihood of it occurring should be scored as follows:

Likelihood
For each risk, an assessment will be made as to the likelihood of their occurrence on the following scale:
1. Improbable – Not foreseeable
2. Remote – Unlikely to occur
3. Possible – Has potential to occur
4. Probable – Likely to occur
5. Almost certain

Impact
Impact will also be assessed using the following scale:
1. Negligible/not critical to continued operations
2. Minor impact in limited areas
3. Significant impact – would not affect continued operations in short-term but might in long-term
4. Severe Impact – in medium term; relates to substantial operational areas
5. Critical - Fundamental to continuing operations

5.11 Reference will be made to the impact and likelihood criteria, as set out in Appendix 1.

5.12 The scores for likelihood and impact are multiplied and the risks are then ranked by numerical value, e.g.

Major fire	impact 5	likelihood 2	total = 10
Small scale theft	impact1	likelihood 3	total = 3

Risk Mitigation

5.13 Once risks have been identified and scored, consideration will be taken as to how they will be addressed and appropriate mitigation identified.

5.14 Risk appetite is set by the Board of Directors and is defined in paragraph 4.13. Consideration will be given to the Trust's risk appetite statement when deciding an appropriate mitigation for an identified risk.

5.15 Where a risk is scored as 'low' or 'medium' no further action may be necessary but regular review should be implemented. Risks scoring 'high' or 'very high' will require mitigation and controls to be applied, with consideration given to the Trust's risk appetite statement.

5.16 Where further action is needed, the following three options may be considered:
- avoid the risk – i.e. withdrawing from that area of activity, which may result in a missed opportunity
- transfer all or part of the risk – i.e. transfer wholly or in part to a third party, for example, through insurance
- mitigate the risk – i.e. putting steps in place to mitigate the likelihood or impact of the risk

5.17 In the majority of cases, the next step will be to put in place systems to mitigate either the likelihood or the impact of the risk. These may include systems addressing the whole operation of the academy/Trust as well as the areas where risks have been identified. Any system of risk mitigation should provide as a minimum:
- Effective and efficient operation of the academy/Trust
- Effective internal controls
- Compliance with law and legislation

5.18 Mitigating actions will be recorded against each risk that has been listed in the risk register with milestones where appropriate. Mitigating actions should be:
- Specific
- Measurable
- Achievable
- Realistic
- Time constrained

For each mitigating action, '**sources of assurance**' over the controls will be identified. Not all mitigating actions will be SMART, especially for risks that are ongoing and timescales are not known. Risk register owners will endeavour to provide as much detail as is possible.

5.19 Source of assurance is defined as evidence that mitigating action/controls are in place and being regularly reviewed. As part of the regular risk review the assurance will be reviewed to ensure that the mitigating action/controls are appropriate and functioning. The residual risk will also be considered at each review if assurances indicate that mitigating actions/controls are working better/worse than originally planned.

Gross and Net (residual) Risk

5.20 In completing the assessment of risk, recognition will be given to the impact of the mitigating controls taken by management to reduce the impact of the risk. Accordingly, risks will initially be recorded at their gross value – the impact without mitigating controls. The same risks will then be recorded allowing for the impact of the mitigating controls. By doing so, the academy/Trust is able to value the impact of the mitigating factors to determine whether they are effective. Where the net (residual) risk score is still deemed too high, further actions will need to manage the risk.

5.21 Both the gross risk and net risk scores are to be recorded on the risk register.

5.22 The movement in these risk scores between reporting periods will be recorded on these key documents to enable easy identification of whether each risk is constant, decreasing or increasing over time.

Risk Monitoring & Review

5.23 The likelihood or impact of an identified risk may change for a number of reasons including:
- Nature of the risk has changed or is changing
- Existing controls are inadequate or not functioning
- New controls are introduced

5.24 Risk registers will be monitored regularly and risks may be left 'open' or the risk can be 'closed' if it goes away. Ongoing monitoring and reporting will help ensure:
- Information reaches the level of management where decisions can be made
- Mechanisms will pick up the problem before it happens, or at least before it gets too serious.

5.25 Specific responsibilities for monitoring and review are set out in section 3.

Risk Reporting

5.26 Different levels within the School/Trust will require different information from the risk management process.

5.27 Early warning indicators should be reported systematically and promptly to senior management to allow action to be taken. The frequency of reporting should be related to how quickly a risk can materialise and its likely impact.

5.28 Specific responsibilities for risk reporting are set out in section 3.

6.	Policy Review

6.1 This policy will be monitored as part of the Trust and Academy's annual internal review and reviewed on a three-year cycle or as required by legislature changes.

Document Control

Date of last review:	September 2022	Author:	Head of Governance
Date of next review:	September 2025	Version:	2
Approved by:	Strategic Delivery Group	Status:	Ratified

Summary of Changes

- Updates to responsibility section, including insertion of Chief Operations and Resources Officer role *(paragraph 3.10)*
- Clarified that SMART targets will be used where appropriate *(paragraph 5.18)*

Appendix 1: Risk Classification Matrix

Impact					
5. Critical	Medium	High	High	Very High	Very High
4. Severe	Low	Medium	High	High	Very High
3. Significant	Low	Medium	Medium	High	High
2. Minor	Low	Low	Medium	Medium	High
1. Negligible	Low	Low	Low	Low	Medium
	1.Improbable	2.Remote	3.Possible	4.Probable	5.Almost Certain

Likelihood

Impact Criteria – **guidance** to assist interpretation and risk scoring

5.Critical	**Financial:** > £1m **Learner Outcomes:** Effective service delivery is severely disrupted on one or more of the academies / sites **H&S:** Long term hospitalisation / fatalities **Reputation:** Reputation damage is irrecoverable i.e. regulatory body intervention
4.Major	**Financial:** £500k to £1m **Learner Outcomes:** Effective service delivery is effected in one or more of the buildings **H&S:** Multiple serious injuries requiring professional medical treatment **Reputation:** Reputation damage is uncomfortable for the Trust / Academy
3.Moderate	**Financial:** £100k to £500k **Learner Outcomes:** Effective service delivery is effected is disrupted in specific areas of the Trust / Academy **H&S:** Injury requiring hospital treatment **Reputation:** Reputational damage is localised and moderate for the Trust / Academy
2.Minor	**Financial:** £50k to £100k **Learner Outcomes:** Minor disruption i.e. adjustments to timetables required **H&S:** Minor injury only requiring basic first aid **Reputation:** Slight reputational damage
1.Insignificant	**Financial:** < £50k **Learner Outcomes:** No effect on service delivery **H&S:** No Injury / near miss **Reputation:** No reputational damage

Likelihood Criteria – **guidance** to assist interpretation and risk scoring

5.Almost Certain	80% - 100% / Could occur within 1 month
4.Likely	60% - 80% / Could occur within 6 months
3.Possible	40% - 60% / Could occur within 1 year
2.Unlikely	20% - 40% / Could occur within 1 to 5 Years
1.Remote	< 20% / Could occur within 5 to 10 years

Appendix 2: Strategic risk management at Brooke Weston Trust – information flow

Risk policy and 'risk appetite statement' set
BWT strategic objectives set
(CEO and Trust Board)

Strategic risk management informed by school risks and themes

'Strategic Risk Register' populated and maintained
(CEO and Executive Team)

School Risk Registers populated and maintained
(School Principals with Central Team leads)

Cycle of continuous improvement to risk management through scrutiny and assurance

Oversight and monitoring of risk exposure in key areas
(Board sub-committees and review groups)

Review 'Strategic Risk Register' and scrutinise risk management and assurance process
(Audit and Risk Committee)

Escalate areas of major concern

Overall accountability for risk management
(Board)