

Create Partnership Trust

# Risk management policy

A policy for all stakeholders  
with a particular focus for leadership and governance

November 2020

Responsibility for this policy:	Board of Directors (Trustees)/Finance and Audit Committee/CEO
Responsibility for monitoring/evaluation (Trust-level):	Chief Operating Officer (COO)
Responsibility for monitoring and evaluation (school-level):	Executive Headteacher/Headteacher/Head of School
Date of review:	November 2021 or as required
Links to other policies:	Health and safety (Trust and school) Safeguarding and Child Protection (Trust and school)

*Creating futures through our shared values of excellence, partnership and perseverance*



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*NB The Board of Directors (Trustees) is known in this document as The Board*

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## 1 INTRODUCTION

Risk management is a key part of the effective leadership and governance of Create Partnership Trust. It is the process by which risks are identified, their severity assessed, and subsequent actions taken to address them fully or mitigate and bring them to acceptable levels.

Risks cover all areas of Trust life and can impact on all stakeholders. For clarity and ease of management, the Trust has identified the following seven categories of risk:

- Compliance - legislation
- Curriculum and educational performance
- Finance
- Growth and change management
- Strategic leadership
- Asset management
- COVID-19

For now, COVID-19 remains as a separate risk category but increasingly it is being incorporated into the other six categories.

## 2 LEGAL AND ADVISORY FRAMEWORKS

The Trust operates in line with:

- **The Academies Financial Handbook 2020**
- **The Charities Commission 2010:** Charities and Risk Management Guidance under CC26
- **The Risk Management Standard, 2002** published jointly by The Institute of Risk Management (IRM); The Association of Insurance and Risk Managers (AIRMIC) and The National Forum for Risk Management in the Public Sector (ALARM).
- Guidance in the **Turnbull Report, 1999**, relating to corporate governance.

## 3 POLICY OVERVIEW

This policy is summarised as:

- The Board acknowledges 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
- A system is in place to deal with the internal control aspects of any significant issues disclosed in the annual report and accounts

And that consideration is given to:

- The nature and extent of the risks facing the Trust
- The extent and categories of risk which it regards as acceptable
- The likelihood or probability of the risks occurring
- The Trust's ability to reduce the incidence and impact of the risks that occur

The Trust's Annual Report includes its principal risks and uncertainties, which are derived from the Trust's Risk Register under the leadership of the CEO's central team and the governance of the Board's Finance and Audit Committee.

### Contributing to the Trust's key objectives

The Trust has four key objectives summarised in this diagram, the third and fourth of which – SUPPORT and LEAD – are reflected in this policy.



**GROW: the sustainable growth of the Trust** – developing a business growth model which includes a range of schools so that all feel supported and challenged, are able to grow professionally and make outstanding progress

**IMPROVE: school improvement** – developing a systematic model with clear accountability structures, using our collective strengths to demonstrate consistently high performance in terms of safeguarding, leadership, teaching, curriculum and assessment

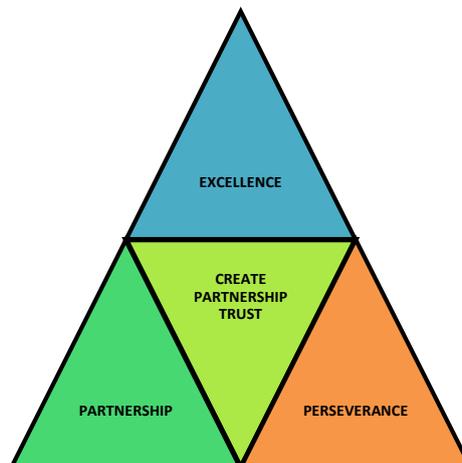
**SUPPORT: early intervention and improved transition** – meeting the needs of pupils so that barriers to learning are quickly identified and removed as soon as possible, especially for the most vulnerable pupils and their families

**LEAD: Staff recruitment, retention, leadership development and succession planning** – *providing a strategic approach which invests in the staff, building their skills so that they, the schools and the Trust strengthen.*

### Contributing to the Trust's values

This Risk Management Policy contributes to our Trust core values:

- EXCELLENCE - setting the highest possible standards and expectations
- PARTNERSHIP - working collaboratively
- PERSEVERANCE - responding to difficult challenges



## 5 OBJECTIVES FOR MANAGING RISK ACROSS THE TRUST

- Comply with risk management best practice
- Ensure that risks are identified and appropriately documented
- Provide assurance to the Board via the Finance and Audit Committee (FAC), that risks are being adequately controlled or that areas for improvement have been identified
- Ensure that appropriate action is being taken in relation to acceptance, mitigation, avoidance or transfer of risks
- Apply all guidance to its central operations (Create Central) and the four schools

## 6 THE TRUST RISK REGISTER

- The Risk Register is a key document for the Trust and includes all fundamental risks.
- It enables the Board to keep up to date with current and potential risks, thus enabling better financial planning and projections as well as capacity to respond to critical incidents.
- It is presented through seven Risk Management Plans, kept up to date and presented regularly to the FAC which, in turn, reports to the Board. As a minimum, the Board must receive the information annually – but good practice in the Trust determines more regular reporting (at least termly).
- The Risk Register is reviewed at least termly by the MAT Leadership Group (MLG) to ensure that it remains current.
- From November 2020, the Risk Register is presented to the FAC in a shorter format for greater clarity, identifying the main risks for the Trust.

## 7 RISK MANAGEMENT PLANS

The Risk Management Plans in their seven categories are updated regularly and reported to each meeting of the FAC. Included in the categories are the following examples:

<b>Compliance</b>	<b>Statutory or other formal requirements</b> (e.g. DfE/ESFA, Charities Commission, HMRC, HSE, GDPR/data protection, safeguarding and child protection, school census returns, Trust annual report, internal and external audits, effectiveness of governance)
<b>Curriculum and educational performance</b>	<b>School improvement approaches</b> (e.g. internal and external challenge and support, workforce planning, pupil outcomes – achievement, attendance, safeguarding, collaborative school leadership, curriculum and assessment design and delivery, reputational issues – schools of choice for parents and staff, Ofsted judgements)
<b>Finance</b>	<b>Financial management and internal control</b> (e.g. adherence to formal financial guidance, internal and external audit, delegation to schools, capital funding, large contract management, efficient systems, regular and accurate reporting, use of external funding – Pupil Premium, Sports Premium, CIF, Catch up Premium, Erasmus), pensions
<b>Growth and change management</b>	<b>Management of change</b> (e.g. staffing restructure or workforce reform, prospective growth of the number of schools, pupil admission numbers, financial health, due diligence processes, marketing and branding, senior appointments)
<b>Operational leadership</b>	<b>Systems, processes, procedures to complete tasks</b> (HR matters – morale, recruitment, retention absence or training, asset investment and management, contractual maintenance, pupils' learning environment, key service providers, health and safety, crisis management)
<b>Strategic leadership and reputational</b>	<b>Leadership sustainability</b> (e.g. effective governance, succession planning, training and development, infrastructure capacity, effective delivery of key contracts)
<b>COVID-19</b>	<b>Operational responses</b> (e.g. national and local guidance, safeguarding, health and safety, infection

	control, remote education, financial tracking, use of catch up premium, pupil and staff impact on attendance, reputational matters – parents, press – training and communications)
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NB The contents of some categories overlap. In these cases, the most appropriate category is selected.

## 8 THE SCHOOLS' RISK REGISTERS

- Each school has its own risk register – currently based on the Birmingham model, following COVID-19.
- Updates are shared with Create Central leaders and any major changes or significant features are reported to the Finance and Audit Committee and the Board.
- The EHT/HT/HoS ensures termly reviews of the Risk Register with the Leadership Group, Leadership Team and other appropriate staff; e.g. the Site Team or the Office Manager.
- From December 2020, the School Profile (end of term report by the EHT/HT/HoS) will include a section on the main risks.

## 9 EVALUATION OF RISK

The Trust uses a 3x3 matrix, RAG-rated, to assess risk IMPACT and PROBABILITY as low, medium or high

Impact	3	$3 \times 2 = 6$	$3 \times 3 = 9$
	2	$2 \times 2 = 4$	$2 \times 3 = 6$
	1	2	3
		Probability	

Multiplying the values for impact by probability, produces the risk score, taking account of mitigation or control procedures.

**IMPACT:** in terms of finance, educational performance, strategy, school disruption, pupil outcomes or stakeholder concern

**PROBABILITY:** in terms of likelihood of occurrences and timescales including recent historical evidence or frequency

When a risk is identified, the Trust adopts one of four responses:

<b>Avoidance</b>	Counter measures are put in place to either stop a problem or threat occurring or prevent it from having an impact.
<b>Transfer</b>	The risk is transferred to a third party; e.g. through an insurance policy.
<b>Mitigation</b>	Actions are taken to either reduce the likelihood of the risk occurring or to limit the impact to acceptable levels
<b>Acceptance</b>	The possibility of occurrence is accepted (e.g. because the cost of counter measures would be greater than the downside) or the probability of occurrence is remote.

## 10 RISK REPORTING AND COMMUNICATION

In order to provide assurance to the CEO, the Board and the external auditors that the Trust has robust internal controls, all significant risks are reported from the schools (via the termly School Profile) and Create Central (via regular reports from the Chief Operating Officer (COO) to the Finance and Audit Committee as a standing agenda item).

The Risk Register is a key part of the reporting mechanism because it includes not only the identification of risks but the main actions in response. Main changes in risk levels are also reported.

The CEO and COO highlight with appropriate leaders and staff that risk assessment must be part of the Trust's culture, that accountability is shared and that risks must be reported and dealt with.

The Finance and Audit Committee reports at least termly to the Board on the risks faced by the Trust and keeps the Board updated if any significant changes occur. This Risk Management Policy is also reviewed annually.

## 11 ROLES AND RESPONSIBILITIES

- **MAT Leadership Group (MLG)** – overall shared responsibility for the oversight of risk in their particular areas. (MLG formed of Create Central Leaders (CEO/COO/Trust Accountant/Strategic Operations Manager/HR Manager) + school leaders (EHT/HT/HoS/DHT)
- **Chief Operating Officer (COO)** - lead responsibility for risk management processes; ensuring appropriate controls are in place; maintenance of the Risk Register; reporting to the CEO and the Board
- **The Finance and Audit Committee (FAC)** reviews the Risk Register and summarises for the Board the level of strategic risk for the Trust. There are clear Terms of Reference for the FAC in relation to risk.
- **The Board** receives guidance from the FAC to enable it to gain a good overview of the key risks faced by the Trust. It has overall responsibility for ensuring that the Risk Management Policy and all associated procedures are in place.