

Humber Education Trust

Risk Management Policy

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1.0 Introduction

- 1.1 Risk is the threat that something (an event or action) will adversely affect the Humber Education Trust's (the Trust) ability to meet its objectives (whether they are educational strategies, performance targets or the general safety and well-being of students and staff). Risk management is the process by which such risks are identified and their severity assessed. It will lead to cost effective actions being taken to address the risks to bring them down to acceptable levels. It is a key element of the framework of the Trust's governance of its constituent educational establishments and it is essential that Directors, Governors and staff understand the principles and practices of risk management.

2.0 Purpose and Objectives

- To enable Directors and Local Governing Bodies to have relevant oversight of risk across / within the Trust and its academies/schools.
- To monitor, review and agree the level of risk ensuring appropriate mitigations are in place.
- To ensure all statutory obligations linked to risk are being met / managed.

3.0 Summary of Good Practice

- 3.1 Managing risks involves four fundamental stages:

- **Identify risks** - having a process for identifying those risks that face the organisation
- **Assessing risks** - assessing the probability and impact of those risks
- **Addressing risks** - determining what management action should be and who should take it
- **Monitoring risks** - ensuring that risks are managed effectively and that a list of risks is regularly reviewed and updated

- 3.2 The process for managing the above will be put into practice using the steps set out in Appendix 1.

- 3.3 The importance and benefits of risk management can be found in Appendix 2 and 3 respectively.

4.0 Sign Off

Approved By (print name):	Graeme Brook
Role Title:	Chair, HET Trust Board
Signature:	
Date:	4.12.17

**Where everybody counts,
every moment matters.**

Appendix 1

Process for managing risks:

Step 1

Everyone involved with the running of the Trust must understand that Risk Management is about reducing risks to an acceptable level and not risk elimination.

Step 2

Risk management must be an inclusive process involving all staff who are involved with the Trust's day to day operations.

Step 3

The risks the Trust faces in achieving its objectives need to be identified.

Because the range of risks is wide it helps to categorise the risks. In its publication "*Worth the Risk*" (2001) the Audit Commission summarised the risks under two headings, as follows.

- Strategic Risks - These are about the medium to long-term goals and objectives of the Trust. Managing strategic risks requires the Trust to have an outward looking approach rather than a purely internal focus. Senior staff Directors and Governors will need to be prominent in the identification of strategic risks and the planning and implementation of risk mitigation strategies.
- Operational Risks - These are the risks that are encountered by staff in the daily course of their work.

The Audit Commission notes that these risk categories are not comprehensive. However, they do provide a basic framework within which staff, Directors and Governors can discuss the risks facing the academy and the measures that are being/could be taken to address them.

Step 4

The risks identified need to be assessed so that the Trust can see whether the risk can be tolerated (i.e. whether it is within the risk appetite) or whether it needs to be

addressed in some way (e.g. through additional controls). Typically, risks are assessed in terms of the impact and likelihood of risk occurring. Risks at this stage are often referred to as inherent.

Step 5

Where risks are not acceptable, action is required from the Trust to reduce the risk to an acceptable level. These steps may include additional controls of all procedures, additional training for the staff involved, contingency plans in the event that the risk occurs, transferring the risk, or, in more extreme circumstances, terminating the activity that gives rise to the risk. The level of risk after these additional controls is often referred to as the residual risk.

Step 6

The risks that an organisation needs to manage are normally recorded in a Risk Register. Risks are also normally allocated to an "owner" who is responsible for ensuring that the additional controls are operated and monitoring the level of the risk.

Step 7

Risk management normally operates on an annual cycle with a regular process for identifying the risks the organisation faces. Inevitably, risks vary over time and new risks will be identified. This means that the priorities for Trust action will change on a regular basis.

Appendix 2

The Importance of Risk Management

- 1.0 It is vital that a culture of risk awareness exists whereby staff, academy leaders, directors and governors naturally consider risk issues as a part of day to day activities.
- 2.0 Risk management is much broader than financial management, although there are many overlaps between risk and financial management. The Trust's (and its constituent educational establishment's) system of internal control is one part of its risk management process.
- 3.0 It:
 - has a key role to play in the management of significant risks that threaten the achievement of the Trust's aims and objectives
 - contributes to the safeguarding of public funds and assets and the achievement of Best Value because it facilitates the effectiveness and efficiency of operations
 - helps to ensure the reliability of information used for internal and external reporting
 - assists with compliance with laws and regulations
- 4.0 The Trust and its academies must maintain a sound system of internal control. It makes sound business sense to manage risk effectively and for all staff to exercise internal control and risk awareness in every aspect of their work. In particular, recognising and dealing appropriately with the key strategic risks facing the Trust will enable it to identify the key actions it must take to achieve its main goals.

Appendix 3

The Benefits of Risk Management

1.0 In its publication “Worth the Risk” (2001) The Audit Commission summarised the following range of benefits:

- increased focus on what needs to be done (and not done) to meet objectives
- more satisfied stakeholders
- better management of change programmes
- more calculated/innovative risk taking
- fewer complaints
- better controlled insurance costs
- improved quality of learning environment
- better ability to justify actions taken
- delivery of Best Value
- getting things right first time more often i.e. less waste

2.0 The DfE publication “Insurance – A guide for schools” (2003) more specifically identifies that effective risk management at schools will reduce:

- disruption of student’s education
- damage to reputation
- the negative effect of incidents on staff and student’s morale
- time lost in reacting to incidents, handling claims etc.
- the stress and anxiety that always accompanies accidents and losses
- the cost of insurance cover as premiums reflect claims history

3.0 Taken together these benefits potentially give the Trust a competitive advantage in terms of efficiency and effectiveness over other academic organisations with whom it may compete. They also help to safeguard the Trust’s reputation.

4.0 Further Reading

- DfE (2003) Insurance – a guide for schools © Crown copyright 2003
- Audit Commission (2001) Worth the Risk: Improving Risk management in Local Government Audit Commission Publications.

