

# RISK MANAGEMENT POLICY

V4

December 2025

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## 1.0 Policy Statement

Effective risk management is a crucial tool in achieving the mission of the Trust to ‘create remarkable schools where no child is left behind.’ It is fundamental to every aspect of running our Trust and the schools within it and it is central to keeping children safe, improving attainment and all outcomes, working effectively with colleagues, ensuring financial sustainability, and managing the physical environment. Risk management takes place at all levels of the organisation and is inherent in all decision-making and in the day-to-day operation and the strategic management of our Trust.

The Trust Board are accountable for risk management and for ensuring that there is a sound system of internal control that supports the achievement of policies aims and objectives, whilst safeguarding public funds and assets for which it is responsible.

## 2.0 Scope and Purpose

2.1 This policy sets out how Beckfoot Trust manages risk in a balanced and objective way to allow appropriate control as well as the flexibility to allow intelligent opportunity-taking to further the objectives of the Trust. This policy has due regard to other Trust policy and external guidance not limited to the following:

- Academy Trust Handbook
- Health & Safety Policy
- Finance Policy

This policy explains how the Trust identifies, measures, manages, monitors, and reports risk. It explains the key roles and responsibilities in relation to risk and sets out how the Board ensures appropriate oversight of risk.

2.2 Linked documents

- Trust Risk Register
- School Risk Registers
- Business Continuity Plans / Critical Incident Plans

## 3.0 Overarching Principles

Risks are all potential events that are a threat to the safety of individuals and/or the achievement of our mission and objectives.

Risk management is defined by the Institute of Risk Management as “the process whereby organisations methodically address the risks attaching to their activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.”

The key principles for our approach to risk across the Trust are:

- To ensure risks facing the Trust and our schools are identified and appropriately and consistently monitored and documented on a risk register on a regular basis
- To report and provide assurance to the Trust Board through the Audit & Risk Committee and Local School Committees that identified risks are being effectively managed
- To ensure that there is effective risk management across our schools and communication with central team
- To comply with risk management best practice and guidance
- To ensure that staff with responsibility for risk have suitable qualifications, experience and skills and are provided with ongoing training.

The Trust will not take unnecessary risk unless justifiable. If taking a risk indicates that the reputation and/or operation of the Trust would be compromised, consideration of the likelihood and controls needed will be discussed with Trust Board.

## 4.0 Responsibilities and Arrangements

### 4.1 Risk Management

#### 4.1.1 Identify

Risk is considered with every plan and decision through executive and senior management meetings and in day to day discussion.

Consideration should be given to the categories of the risk below taking into account:

- **Internal risks** - these are risks over which there is some control, by managing them through internal controls/ additional mitigating actions. Examples of such risks include health and safety risks, and data security.
- **External risks** - big external events/perils and how to be more resilient to such events. Examples of such risks include a pandemic and extreme weather.

The Board will oversee the top risks identified for the Trust whilst the top identified school risks will be monitored locally through the Risk Register.

The Trust categorises risk as follows:

Category	Definition
<b>Governance</b>	Risks related to the direction and control of the Trust
<b>Educational</b>	Risks related to the educational outcomes
<b>Safeguarding</b>	Risks related to the welfare and safety of pupils
<b>Financial</b>	Risks to the financial stability and sustainability of the Trust
<b>Operational</b>	Risks to the day to day running of the Trust
<b>External</b>	Risks external to the Trust that pose a threat
<b>Compliance with law and regulation</b>	Risks created by changing legislation or compliance issues
<b>Strategic</b>	Inherent risk in Trust wide decision making
<b>Reputational</b>	Risk to the reputation of the Trust

#### 4.1.2 Measure

To understand each specific risk and allow for prioritisation, each risk is assessed according to its likelihood and the impact if it did occur. The descriptors of impact and likelihood are detailed in Appendix 1. Once impact and likelihood are determined, an overall risk score is calculated (Impact x Likelihood) in line with the table below. The control measures and further actions determine how actively the risk is reviewed.

Beckfoot Trust Risk Matrix			Likelihood				
			Remote	Unlikely	Possible	Probable	Highly Probable
			1	2	3	4	5
Impact	Extreme/Catastrophic	5	5	10	15	20	25
	Major	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Minor	2	2	4	6	8	10
	Insignificant	1	1	2	3	4	5

#### 4.1.3 Manage

Once the risk cause and effect are identified and understood, action is determined considering:

- **Risk appetite** – the amount of risk the Executive Lead or Headteacher is willing to accept
- **Risk capacity** – the resources (financial, human, etc) which can be put in place to manage the risk

These are the actions which may be taken:

Action	Explanation
<b>Tolerate</b>	No action taken Controls not deemed cost effective Risk impact so low it is considered acceptable
<b>Treat</b>	Control measures put in place to minimise likelihood of occurrence or of impact Potential identification of contingency measures in case of occurrence Demonstrable assurance identified in controlling the risk Risk re-assessed for residual risk score and rating
<b>Transfer</b>	Risk transferred to third party Usually via insurance or payment Risk re-assessed for residual risk score and rating
<b>Terminate</b>	Remove the risk Effective where there is no material effect on operations Considered when risk is highly ranked and other actions are impractical or too expensive Risk re-assessed for residual risk score and rating
<b>Take Advantage</b>	Considered when potential benefits of intelligent risk taking outweigh the potential negatives Intelligent risk taking may strategically advantage the Trust

#### 4.1.4 Monitoring

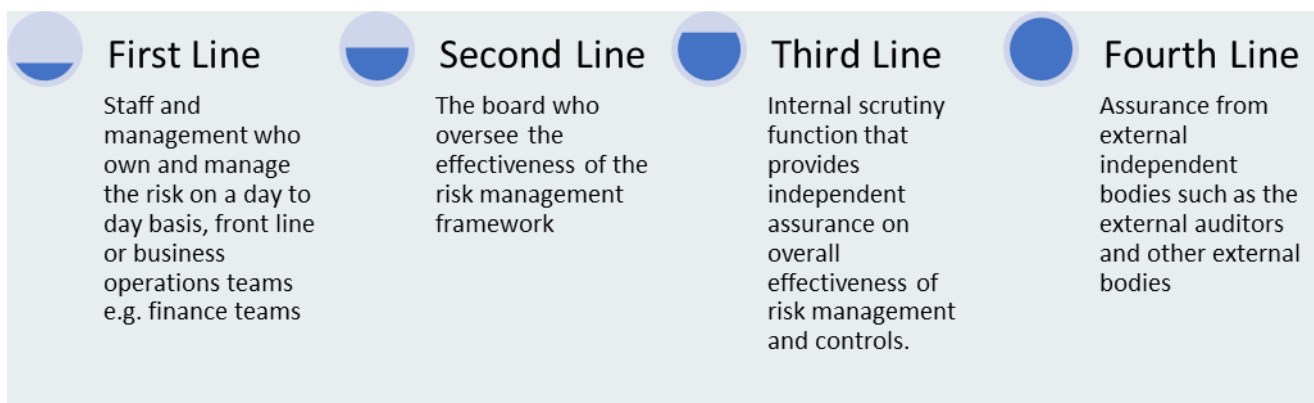
Monitoring of risks is ongoing and continuous and provides assurance on the extent to which the actions and controls are working as intended and whether risks are managed to an acceptable level. The Risk Register is the tool which allows effective monitoring, recording and reporting of risk.

The Executive Leadership Team and Headteachers are responsible for monitoring risk, and the risk owner is responsible for providing appropriate assurance that the risk is well-managed. Assurance

may be provided in diverse ways depending on the level of the risk, the higher the risk the more likely it is that a higher level of assurance is needed.

The four lines of assurance must be considered for any risk to provide a residual risk score with further controls / actions recorded to reach a target risk level.

A summary of each line of defence is below and should be used to explicitly evidence what is in place in relation to a risk on the risk register.



#### 4.1.4 Reporting and Review

The Executive Leadership Team formally reviews the Trust risk register, each cycle prior to the Audit & Risk Committee or Board 1 meeting with consideration of school risks.

Headteachers formally review the school risk register termly with the senior leadership team and in relation to reporting to LSC. The risk register is also shared and considered in Executive Headteacher line-management meetings.

The school risk register may or may not inform the trust risk register and vice versa.

The Trust risk register is reviewed by the Audit and Risk Committee three times a year and is recommended for approval to the Trust Board as set out in the Scheme of Delegation. The review process is flexible and, in all cases, allows for targeted focus on the highest priority risks

## 4.2 Roles and Responsibilities

### 4.2.1 Trust Board

- Set the tone and culture of risk management within the Trust
- Determine the risk appetite at any given time and in relation to specific risks and the capacity of the Trust
- Approve and review the framework for managing risk
- Oversee major decisions affecting the Trusts risk profile or exposure
- Monitor risks through the Audit and Risk Committee and seeks appropriate assurance that risks are well managed with clear lines of accountability

### 4.2.2 Audit and Risk Committee

- Understand the Trust's, mission and operating environment and associated risks and opportunities
- Understand the framework for managing risk and critically challenge and review this framework
- Work with the executive in identifying and directing an appropriate cycle of internal scrutiny which is risk driven and provides appropriate assurance
- Report to the Board on the adequacy of the Trust's internal control framework

### 4.2.3 CEO/Accounting Officer

- Oversees the strategic management of risk throughout the Trust
- Sets the tone and culture for the risk environment with the Trust Board
- Ensures that the Audit & Risk Committee and Board receive accurate and timely reports to allow appropriate governance of risk

#### 4.2.4 DCEO/Deputy Chief Executive Officer

- Accountable for the risk management framework and reporting to Audit & Risk Committee
- Leads reviews of the risk register/s

#### 4.2.5 Executive Leadership Team

- Identify potential risks through meeting with direct reports and other staff including Headteachers, members of the central team, external agencies and other Trusts
- Communicate potential risk for whole Trust and schools to Executive Team through meetings for consideration of approach and inclusion on the Trust risk register and vice versa

#### 4.2.6 Headteachers

- Implement all policies as the first line of defence and ensure internal controls are in place in the school
- Identify and evaluate the fundamental risks for school and communicate with the Executive Lead on any potential risks for the school and wider Trust.
- Work with the CEO, DCEO, Risk and Compliance Manager and internal and external auditors to undertake any review of risk and to assess the effectiveness of internal systems of control
- Inform the CEO/DCEO without delay of any immediate risk (including reputational)

#### 4.2.7 Person Accountable for Named Risk

- Monitor the named risk and support implementation of control measures
- Provide assurance to Executive Lead or Headteacher that controls that are in place to reduce the risk are suitably designed, consistently applied and effective

#### 4.2.8 Risk and Compliance Manager

- Support schools and risk owners in monitoring and reducing risk
- Oversee the internal scrutiny cycle, providing risk driven assurance to the DCEO
- Contributes to reporting for Audit & Risk Committee Advise the DCEO and other risk owners when potential risks are encountered
- Is the Responsible Officer for Health and Safety.

#### 4.2.9 Trust Operations Support Manager

- Oversee the policy and documents framework to ensure all policies are maintained and reviewed, preparing reports for Board in line with the reporting matrix to allow approval of policy in line with the Scheme of Delegation
- Administer the Trust risk register on behalf of Executive Team for Board reporting and support the collation of school risk registers for executive review
- Support reporting to Audit & Risk Committee

## 5.0 Review of Policy

This policy is reviewed annually.

## Appendix 1: Likelihood and Impact Descriptors

Likelihood Descriptor	Score	Example
Remote	1	May only occur in exceptional circumstances
Unlikely	2	Expected to occur in a few circumstances
Possible	3	Expected to occur in some circumstances
Probable	4	Expected to occur in many circumstances
Highly Probable	5	Expected to occur frequently in most circumstances

Impact Descriptor	Score	Impact on Trust
Insignificant	1	No Impact on service No Impact on reputation Complaint unlikely Litigation risk remote
Minor	2	Slight impact on service Slight impact on reputation Complaint possible Litigation possible
Moderate	3	Some service disruption Potential for adverse publicity - avoidable with careful handling Complaint probable Litigation probable
Major	4	Service disrupted Adverse publicity not avoidable Complaint probable Litigation probable
Extreme/Catastrophic	5	Service interrupted for significant time Major adverse publicity not avoidable (National media) Major litigation expected Resignation of senior management and board Loss of stakeholder confidence