



THE SOCIETAS TRUST

RISK MANAGEMENT POLICY

Date of Policy	2022
Reviewed and Agreed by	The Directors' Board
Review Date	14 July 2022
Next Review Date	Summer 2024



The key objective of this policy is to ensure that The Societas Trust has a consistent basis for measuring, controlling, monitoring and reporting risk across the organisation at all levels. This policy explains the Trust's underlying approach to risk management, documents the roles and responsibilities of the Directors and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures, ensuring legislative compliance including the General Data Protection Regulation. The Trust is aware of the Insurance requirements relating to Risk Management. (Appendix 1)

This Policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- Academies Act 2010
- Companies Act 2006
- The UK General Data Protection Regulation (GDPR)
- Data Protection Act 2018
- Health and Safety at Work etc. Act 1974
- ESFA (2021) Academy Trust Handbook 2021

The Societas Trust is committed to providing a safe environment for all members of The Trust and the communities of each Academy within the Trust, In order to do this, we consider:

- The nature and extent of the risks that the Trust faces
- The extent and categories of risks that are acceptable
- The likelihood of the risks concerned materialising
- Strategies for reducing the incidence and impact of risks that do materialise

1. Assessing the Risks

The Reporting mechanism is the Trust Risk Register and each Academy's Risk Registers. These will highlight the key risks facing the Trust and each Academy. Any significant changes in risk or impact or probability or the occurrence of an event which raises the profile of the risk will be recorded on the risk register as it occurs. A Risk Register is compiled considering likely risks relating, but not exclusively to:

- Financial Risk
- Strategic and Reputational Risk – (Leadership)
- Operational and Infrastructure Risk (School Performance and sustainability, Staffing Stability, Pupil Numbers, Buildings and Capital))
- Compliance, Legal and Regulatory Risk including GDPR (Governance)
- Critical Incident Risks (Business Continuity/Critical Incident Plan, this includes Risks associated with a Pandemic)
- Health and Safety Risks – Fire, Accidents (See Health and Safety Policy)

Once a risk has been established, the Trust will assess whether:

- The risk of both likelihood and impact of the event is high
- The risk of likelihood or impact of the event is high



- The risk of neither the likelihood nor the impact is high

A point scoring system (as detailed in the matrix below) is used to assess the likelihood vs the impact of the identified risk with greater emphasis directed towards those areas identified as higher(H) risk marked in red, medium(M) in yellow and low(L) in green

Probability	Likely 3	3	6	9
	Possible 2	2	4	6
	Unlikely 1	1	2	3
		Insignificant 1	Moderate 2	Major 3
	Impact			

The descriptors for high, medium and low impact and probability can be expanded as follows:

2. Impact of Risk Occurring

Impact	Description
Major - 3	The financial impact will be significant (in excess of £50,000) Has a significant impact on the school's strategy or/and on teaching and learning Has significant stakeholder concern Can cause significant reputational damage to the school
Moderate - 2	The financial impact will be moderate (between £25,000 and £49,999) Has no more than a moderate impact on strategy or on teaching and learning There will be moderate stakeholder concern Can cause moderate reputational damage to the school
Insignificant - 1	The financial impact is likely to be low (between £5,000 and £24,999) Has a low impact on strategy or on teaching and learning Low stakeholder concern Is unlikely to cause any reputational damage to the school

3. Probability of Risk Occurring

Probability	Description	Indicator
Likely - 3	Likely to occur each year / more than 25% chance of occurrence within the next 12 months	Potential if occurring several times within a 4- year period Has occurred recently
Possible - 2	Likely to occur within a 4 year time period / less than 25% chance of	Could occur more than once within a 4-year period



	occurrence within the next 12 months	Some history of occurrence
Unlikely – 1	Not likely to occur within a 4 year time period/ less than 5% chance of occurrence within the next 12 months	Has not occurred Is not likely to occur

4. Addressing Risks

When responding to risks, the Trust ensures that the system of internal control will efficiently, effectively and economically manage a risk to a reasonable level rather than eliminate all risk of failure to achieve policies aims and objectives. Where the risk is high the risk will be well-managed so that the potential threat does not materialise.

Principle risks and uncertainties highlighted by the Trustees include:

- Change in Government Funding Regime
- Pupil numbers in decline resulting in loss of revenue – possibly caused by pupils failing to make good progress, an unsatisfactory Ofsted Report and Loss of Reputation
- Staffing issues such as loss of Senior Management, epidemic/pandemic sickness or long term sickness rendering the academy unable to function effectively and efficiently
- Ineffective or insufficient financial controls or systems
- Financial commitments made without adequate authorisation
- Fraudulent activity
- Legislative non-compliance – with Statutory Bodies
- Major breaches in the security of information systems resulting in non-compliance with GDPR

Please see Appendix 2 – Sources of Risk

The Trust will adopt one of the four risk responses outline below:

- **Avoid/Terminate** – Counter measures are put in place to either stop a problem or threat occurring, or prevent it having an impact on the organisation
- **Transfer** – The risk is transferred to a third party
- **Treat/Mitigate** – The response actions either reduce the likelihood of a risk developing or limit the impact on the school to acceptable levels
- **Tolerate/Accept** – The Trust accepts the possibility that the event may occur. This may be because the cost of the counter measures is too great and will outweigh the possible downside, or because the Trust believes there is only a remote possibility of the event occurring

The Risk Register will be reviewed biannually. As new risks are identified throughout the year these will be added to the risk register and assessed using the scoring methodology by the Headteacher of the Academy and the CEO/Accounting Officer? All new risks will be reported to the Resources Committee.



5. Roles and Responsibilities

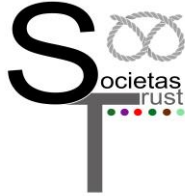
The Role of the Board of Directors

The Board of Directors has responsibility for the total risk management process and through effective leadership will:

- Decide on the Trust's Risk Tolerance
- Approving major decisions affecting the Trust's risk profile or exposure
- Reviewing the risks identified through the year and actions taken to control the risks
- Determining what types of risk are acceptable/not acceptable and monitoring significant risks and control improvements to mitigate any future impact of the risks
- Annually reviewing the Trust's approach to risk management and noting approving changes or improvements to key elements of the process and procedures
- Ensure that staff are trained or equipped to manage risk in a way appropriate to their level of authority

6. Monitoring and Review

- The LGB of each Academy works with the Headteachers on a termly basis to undertake a risk review and report the outcomes to the Resources Committee, who in turn present the status of risks and controls to the Board of Directors.
- All items deemed High to be reviewed and acted on accordingly
- The review must establish that the less fundamental risks are being managed with the appropriate controls in place and working effectively
- The Resources Committee will receive and review reports from internal and external audits relating to Internal Controls and possible exposure to risks.
- Academy Business Managers meet regularly to share best practice in addressing operational risks
- Financial risk is managed through sound financial practice stipulated in the Trust's Finance Policy and Procedures Manual. The Trust and each academy operate a scheme of financial delegation and regular reviews are carried out under the Internal Audit Process (Peer Review) to ensure that the financial policies and procedures are correctly adhered to. The CFO and Trust Representative on each LGB have operational oversight of the internal audit process
- Comprehensive Budgeting and monitoring systems with the production of periodic reports are produced for the Board enabling them to evaluate the financial and educational performance against budget together with the expected standards of attainment evidencing an effective system of internal control
- Schemes of Delegation and Segregation of Duties guard against the risk of Financial commitments made without adequate authorisation and potential fraudulent activity
- External and Internal Audit Processes with regular monitoring of resultant action plans exist at all levels of Governance within The Trust



- Risk to the Security of Information are identified in line with Data Protection. In recognition of the additional requirements under GDPR there has been the establishment of GDPR Working Committee and a sub IT Working Party to address the risks of potential non-compliance and implement mitigating action. Following the implementation of GDPR documentation and procedures, more recently this has become part of the remit of the Academy Business Managers and reviewed at their Meetings.
- The Directors, Chief Executive, Resources and Education Committees keep up to date with Political, Economic, Social and Technological developments which impact the Multi Academy Trust
- The Social, Demographic and Competitive Factors are considered by the Directors, CEO and Resource and Education Committees to adopt strategies to prevent the loss of pupil numbers.
- Succession Planning is in place to ensure there are sufficient key staff in place
- There is an ongoing review of systems and processes to reduce the risk of major breaches in the security of information systems resulting in non-compliance with GDPR and a possible reputational risk

The Trust will review this policy every year to assess the implementation and effectiveness.

7. Communication of Risks

It is the responsibility of the Trust and headteachers to ensure that their staff are aware of their accountability for individual risks and individuals should promptly report to senior management any perceived new risks or failures of existing control measures.

8. Risk Registers

The Risk Register comprises a Trust Risk Register and a Risk Register for each Academy based on Risks in four main categories as follows:

- Financial
- Strategic and Reputational
- Compliance, - Legal and Regulatory including GDPR
- Operational

These are updated on an a termly basis and are reviewed by the Local Governing Body for each Academy and reviewed annually by the Internal Auditor and Board of Directors. The Risk Register is an Excel Document and is found in the Shared Area of Dropbox.

Additional Registers are prepared relating to unprecedented events or crises such as Covid-19 and these are included as an addendum to the main Risk Registers as an addendum. (eg Appendix 4)



9. Internal Control of Risk Checklist

The Summary Financial Control Compliance Self Evaluation consolidates the individual Academy Self Evaluations as part of the Internal Audit Process and should be examined in conjunction with the Risk Registers as they provide evidence of any non-compliance and exposure to risk specifically in the Financial and Regulatory categories across The Trust. (Appendix 3)



Appendix 1

Insurance Requirements relating to Risk Management:

Under “Miscellaneous Rules and Provisions” – Risk Management –

Members of Insurance Schemes shall maintain a minimum standard of Risk Management which will include:

1. Maintaining the property in a satisfactory state of repair
2. Taking all reasonable precautions for the safety of the property
3. Taking all reasonable precautions to prevent loss, destruction, damage, accident or injury
4. Undertaking reasonable checks when employing members of staff and contractors
5. Setting and maintaining systems for the protection of property, employees, pupils and third parties
6. Compliance with the laws of England and Wales

The key pieces of legislation and Approved Codes of Practice that all Members must comply with:

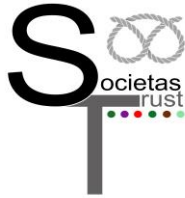
1. The Health and Safety at Work Act 1974
2. The Management of Health and Safety at Work Regulations
3. Workplace (Health, Safety and Welfare) Regulations
4. The Regulatory Reform (Fire Safety) Order
5. Electricity at Work Regulations
6. Control of Asbestos Regulations
7. The Control of legionella bacteria in Water Systems
8. Control of Lead at Work Regulations
9. Ionising Radiation Regulations
10. Provision and use of Work Equipment Legislation
11. Lifting Operations and Lifting Equipment Regulations
12. Working at Height Regulations
13. Pressure Equipment Regulations



Appendix 2

Sources of Risk

Source of Risk	Risk Event
Communication	<ul style="list-style-type: none"> • Communication between stakeholders may be lacking, inadequate or unclear • Policies and Procedures are not properly and adequately communicated • Failure to keep appropriate records
Competition	<ul style="list-style-type: none"> • Internal expertise may be lost because of loss of key staff • Outsourcing takes all internal expertise leaving you vulnerable and dependent on others • Loss of pupil numbers
Compliance	<ul style="list-style-type: none"> • Failure to comply with legislation, Charity Law, Company Law, GDPR, DfE and Government Policy • Change in European Law
Crime	<ul style="list-style-type: none"> • Theft • Assault • Fraud • Abuse
Culture	<ul style="list-style-type: none"> • The organisational culture is not supportive or does not uphold and encourage appropriate and necessary principles, behaviours and attitudes
Emergency Planning	<ul style="list-style-type: none"> • Lack of suitable and sufficient emergency and business security plans
Environmental	<ul style="list-style-type: none"> • Flooding • Pollution incident • Inclement weather • Climate change
Financial	<ul style="list-style-type: none"> • Lack of funds • Budget underspend • Lack of opportunity to access alternative sources of income • Failure to close the annual accounts • Qualified Audit Opinion
GDPR Data protection	<ul style="list-style-type: none"> • Loss of Data • Data Security Compromised – unlawful/accidental disclosure • Virus Attack/Corruption of information • Unauthorised/accidental alteration of personal data • Unauthorised Access to personal data • Reputational Risk •



Health and Safety	<ul style="list-style-type: none"> • Lack of appropriate Health and Safety Knowledge leads to failure to comply with legislation • Lack of appropriate training • Lack of Health and Safety Audits • Arrangements for offsite visits no robust • Lack of suitable and efficient risk assessments
Infrastructure premises	<ul style="list-style-type: none"> • Inadequate premises • Denial of access • Damage to or contamination of premises • Loss of building, Fire Flooding
Liability Claims	<ul style="list-style-type: none"> • Accidents on premises • Breach of Statutory Duty
Location	<ul style="list-style-type: none"> • Road Layout • Local residents • Local land use • Events occurring nearby
Organisational	<ul style="list-style-type: none"> • Compliance Timescales • Procurement delays • Politics • Lack of policy and agreed procedures • Lack of Strategic Direction
Personal Injury/Illness	<ul style="list-style-type: none"> • Stress • Lone Working • Aggression/Violence • Contagious Disease • Manual Handling • Work Related Injuries
Relationships/legal partnerships	<ul style="list-style-type: none"> • Partners/third parties may be unreliable • Third party governance arrangements not suitable • Procurement process may fail • Contract wording unacceptable – delay agreement • Lack of boundaries and responsibilities
Plant and Equipment	<ul style="list-style-type: none"> • Breakdown of equipment • Lack of Capital Replacement Strategy • Maintenance arrangements unsuitable • Lack of availability of parts for old/obsolete machinery
Security of Assets	<ul style="list-style-type: none"> • No Record of Assets • Lack of policy and procedures • Insurance arrangements inadequate • Breach of Security
Social	<ul style="list-style-type: none"> • Cultural norms and expectations • Local demographics • Local economic conditions
Staffing	<ul style="list-style-type: none"> • Shortage of Staff • Skills gap



	<ul style="list-style-type: none"> • Lack of succession planning • Loss of key personnel • Conflicting priorities
Stakeholders	<ul style="list-style-type: none"> • Lack of engagements from those needed to be involved • Opposition and challenge • Loss of supporters
Technology	<ul style="list-style-type: none"> • Systems may become obsolete or incompatible • Failure of key equipment •
Transportation	<ul style="list-style-type: none"> • Breakdown • Accidents • Lack of suitability of qualified drivers • Lack of funding for replacement vehicles



Appendix 3

SUMMARY COMPLIANCE MATRIX (REVIEWED AS PART OF THE INTERNAL AUDIT)								
		Risk Score (IMS/LMH)					Low (Insignificant) Medium (Moderate) High (Significant)	
		AG	E	GL	GO	S	T	Comment – relating to F/P Met
Financial Controls								
1	The responsibilities of LGB, its committees and staff for financial decision making and administration have been set out in writing							
2	All Staff with financial responsibilities have access to and an understanding of the Trust's Financial Policy and Procedures Manual							
3	There is a financial scheme of delegation approved and reviewed annually by the local governing board							
4	There are minutes of all meetings of the LGB and its committees that include decisions taken and by whom action is to be taken							
5	There is a register of business interests for governors and staff who influence financial decisions							
6	Financial Control is maintained in the absence of key personnel							
7	Proper accounting records are maintained and retained in accordance with the Data Retention Policy							
8	All accounting records are retained securely and access is controlled							
9	Any significant variation in spend to date compared to approved spending plan is highlighted and explained to governors in a timely fashion and recorded in the Governing Board meeting minutes							
10	Procedures used to prepare the financial reports issued to Governors and officers of the Academy/Trust are completed accurately and promptly							



11	There is a clear audit trail, from reasoning behind variation to authorisation to the full Governing/Trust Board of any significant changes to the approved spending plan								
									Likelihood/Impact of the risk:
									Action required:
	Income								
1	There is a charging policy for goods and services that sets out charges, discounts and concessions?								
2	The Charging policy is reviewed Annually								
3	There are procedures in place for identifying income due								
4	Invoices are issued within 30 days								
5	The Academy requests all cheques are made payable to the Academy								
6	All income received is recorded and receipted (in accordance with the academy policy)								
7	All machines that take money, including telephones, are emptied and the cash counted by two people								
8	Only officially approved documents are used for recording income (eg receipts/C & D Books, paying-in slips)								
9	Receipts and receipt books are held securely in a locked cabinet								
10	All cash is held securely in a safe or locked receptacle								
11	Access to the safe is restricted to authorised staff								
12	Cash held is within insurance limits?								
13	Income Received is not used for the encashment of personal								



	cheques or for other payments								
14	The transfer of school money between staff is recorded and signed for by the receiving officer								
15	Income is banked promptly and in tact								
16	There is an independent reconciliation on a monthly basis of the income received and income banked								
17	There is proof of monies collected by a security company								
									Likelihood Impact of Risk
									Action Required
	Expenditure								
	Purchasing								
1	Tenders and quotations are obtained in accordance with the Trust's Finance Policy and Procedures Manual								
2	Where the quotation/tender process has not been followed or the lowest price not accepted, the local governing board is informed always of the reason for the decision it is included in the minutes of the relevant meeting								
3	Each Contract specification defines the service to be provided in terms of its nature, quality standards, information, monitoring requirements and contract review procedures								
									Likelihood/Impact of Risk
									Action Required
	Ordering and Receipt of Goods								



1	Only official orders are used for the purchase of goods and services except utilities, rent and rates							
2	In an emergency where a verbal order is made, it is confirmed by a written order							
3	Orders are used only for goods and services provided to the academy and nor for private use by staff							
4	Orders are certified/authorised in accordance with the Academy's Scheme of Delegation							
5	There is a process in place for checking goods received to the original order							
6.	There is a separation of duty between the person authorising the order and the person receiving and checking the goods delivered							
7.	Inventories are updated promptly when assets are above £250							
								Likelihood/Impact of Risk
								Action Required
	Invoices							
1	Only original invoices are processed for payment once they have been checked, coded, and certified for payment. There are controls over the processing of electronic invoices							
2	Payment of invoices are within appropriate time limits							
3	Invoices are certified for payment in accordance with the scheme of delegation							
4	There is a separation of duty between the person authorising the order and the person certifying the invoice							
5	All paid invoices are marked in some way to prevent duplicate							



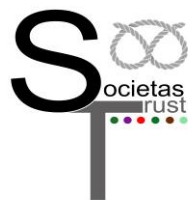
	processing								
									Likelihood/Impact of Risk
									Action Required
	Assets								
1	An up to date inventory is maintained of all assets above £250 or those that are deemed portable/desirable								
2	An annual check is undertaken by an independent officer to ensure the physical items agree to the items listed on the inventory. The inventory is signed and dated to confirm agreement								
3	All discrepancies are investigated and any over a specific value are reported to the governing board								
4	All property taken off the academy site is recorded, for and its return recorded								
5	All write offs and the disposal of surplus stocks and equipment is undertaken in accordance with written policies & Financial Regulations								
6	There is a procedure for the security of premises, it is adequate, and reviewed regularly								
7	The number of keys in existence to buildings, safes, etc is limited to the maximum practical and access to them is controlled								
8	All keys to safes, cash boxes and other receptacles in which money or valuables are secured are carried on the person of those responsible at all times								
									Likelihood/impact of risk
									Action Required
	Payroll								



1	There is a formal recruitment procedure in place that includes processes to: <ul style="list-style-type: none"> Follow up gaps and inconsistencies in applications Follow up of references and DBS checks Administer appointments, termination of employment, variations to pay and expenses on a timely basis Procedures are updated regularly 							
2	The duties of authorising appointments, changes to pay, terminating employment and maintaining organisation structure changes are allocated according to the scheme of delegation and are separated from the duties of processing claims							
3	All staff have been made aware of the Trust's Code of Practice							
4	Only authorised staff have access to personnel files							
5	Payroll transactions are processed only through the payroll system							
6	The headteacher maintains a list of all staff.it is updated regularly to reflect starters and leavers and is checked under the DfE guidelines and (at least six monthly) to reports on payroll transactions to ensure that they match							
7	Expense claims are submitted promptly at the beginning of each month by payroll deadlines							
8	Supply claims are countersigned by an authorised officer							
9	Supply claims are recorded and checked against the invoice							
								Likelihood/Impact of Risk
								Action Required
	Insurance							
1	The academy reviews al risks annually to ensure that sums insured are commensurate with the risks							



2	The local governing board has considered the need to insure risks not covered by the Trust							
3	The academy notifies the Trust immediately of all new risks, property, equipment and vehicles that require insurance or where it affects existing insurance							
4	The academy notifies the Trust and Insurers immediately of all accidents, losses or incidents that may give rise to a claim							
								Likelihood/Impact of Risk
								Action Required
Compliance and Risk								
1	There is a Business Continuity Policy which has addressed the likely threats and is available in Dropbox							
2	There is evidence to affirm that Staff are aware of procedures in the event of a major incident.							
								Likelihood/Impact of Risk
								Action Required
1	There is a risk register in force which has identified Financial Risks and is available in Dropbox							
2	There are procedures in place to eradicate or reduce exposure to Financial and Reputational Risk							
								Likelihood/Impact of the Risk
								Action Required
General Data Protection Regulation								
1	The Financial Policies and Procedures are aligned to GDPR Requirements							
								Likelihood/Impact of Risk
								Action Required



Appendix 4

EXAMPLE ONLY

General Risk Assessment Record Form

1. Section/Service/Team..... 2. Assessor(s).....

2. Description of Task/Activity/Area/Premises etc.

What are the hazards?	Who might be harmed and how?	What are you already doing? List the control measures already in place <i>Example controls could include:</i>	What is the risk rating – H, M, L? See section 5	What further action, if any, is necessary, if so what action is to be taken by whom and by when? <i>Examples could include:</i>	Action Completed State the date completed and sign.	What is the risk rating now – H, M, L? See Section 5



3. Tick (✓) if any of the identified hazards relate to any of the following specific themes:

Hazardous Substance	Manual Handling	Display Screen Equip	Fire	Work Equip / Machinery	Stress	Individual Person such as Young Person New/ Expectant Mother or Service User

If any are ticked a specific risk assessment form must be completed separately. For example a COSHH form must be completed if a hazardous substance is used.

4. Risk Rating

The risk rating is used to prioritise the action required. Deal with those hazards that are high risk first.

The level of risk is calculated by:	The likelihood		X	The Consequences		Risk Rating	
	1	Very unlikely		1	Insignificant (no injury)	1-4	Low (acceptable)
2	Unlikely	2	Minor (minor injury needing first aid)	5-9	Medium (adequate)	If risk cannot be lowered any further, consider risk against benefit. Monitor and look to improve at next review	
3	Fairly unlikely	3	Moderate (up to 3 days absence)	10-16	High (tolerable)	Identify further control measures to reduce risk rating. Seek further advice e.g. line manager, H&S team, etc.	
4	Likely	4	Major (more than 3 days absence)	17-25	Very High (unacceptable)	Do not undertake the activity. Implement immediate improvements	
5	Very likely	5	Catastrophic (death)				



5. **Signature of Headteacher:**

Print Name

Date:

6. Communication and Review

This risk assessment should be communicated to all employees and relevant persons who may come into contact with the hazards being assessed. The assessment must be reviewed annually or following a significant change in circumstances or legislation.

Reviewed by the **Resources Committee**

Signed and Approved -----

Dated: -----Chair

Signed and Approved -----
Accounting Officer/CEO

Dated -----

Signed and Approved by Board of Directors

Dated -----