

Risk Management Strategy

Risk Management objectives

The objectives for managing risk across the Academy are:

- To comply with risk management best practice;
- To ensure risks facing the MAT are identified and appropriately documented;
- To provide assurance to the MAT Board that risks are being adequately controlled, or identify areas for improvement;
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks.

Risk Management strategy

This strategy aims to:

- Outline the roles and responsibilities for risk management.
- Identify risk management processes to ensure that all risks are appropriately identified, controlled and monitored
- Ensure appropriate levels of awareness throughout the Academy

Roles and responsibilities

The Individual Academy Leadership Teams (ALT) has overall responsibility for risk management. The Director of Business & Finance Resource (DBFR) has lead responsibility for risk management processes and the Academy-wide Risk Register. This responsibility includes:

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks
- Preparation of periodic reports to the Finance Committee and full board

The Risk Register is formally reviewed each term by the DBFR. A Risk Management Plan is submitted to the Finance Committee annually in September. The Risk Management Plan is monitored by the Finance Committee and forms part of that Committee's report to the Board.

Identification of risks

The Risk Management Standard states that risk identification should be approached in a methodical way to ensure that all significant activities have been identified and all the risks flowing from these activities have been defined.

Our approach to risk management have been set and agreed with the Board and encompass six key aims:

- High achievement and high value add
- Outstanding staff, leadership and management
- Outstanding infrastructure
- Financial strength

- Inspiring and supportive culture
- Strong community and partnerships

The structure and organisation of the MAT risk register follows the above structure to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified.

In addition, risk is a standing item on the agenda for each meeting of the Academies ALT.

Evaluation of risks

The Risk Management Standard states that risks should be evaluated against agreed criteria to make decisions about the significance of risks to the organisation.

The MAT uses a 3x3 matrix to assess impact and probability as high, medium or low, as illustrated in the diagram below:

Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
		Probability		

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

Impact of Risk Occurring

Impact	Description
High	The financial impact will be significant [in excess of £100,000] (F)
	Has a significant impact on the Academy's strategy or on teaching and learning (O)
	Has significant stakeholder concern (SH)
Medium	The financial impact will be moderate [between £10,000 and £100,000]
	Has no more than a moderate impact on strategy or on teaching and learning
	Moderate stakeholder concern
Low	The financial impact is likely to be low [below £10,000]
	Has a low impact on strategy or on teaching and learning
	Low stakeholder concern

Probability of Risk Occurring

Probability	Description	Indicator
High	Likely to occur each year, or more than 25% chance of occurrence within the next 12 months	Potential of it occurring several times within a 4 year period.
		Has occurred recently
Medium	Likely to occur within a 4 year time period or less than 25% chance of occurring within the next 12 months	Could occur more than once within a 4 year period.
		Some history of occurrence
Low	Not likely to occur within a 4 year time period or less than 5% chance of occurrence	Has not occurred
		Is not likely to occur

Risk appetite

The term risk appetite describes the MAT's readiness to accept risks and those risks it would seek to reduce. The MAT's risk threshold is the boundary delineated by the pink shaded area (represented by scores of 6 and above) in the risk matrix above. Above this threshold, the MAT will actively seek to manage risks and will prioritise time and resources to reducing, avoiding or mitigating these risks.

Addressing risks

When responding to risks, the MAT will seek to ensure that it is managed and does not develop into an issue where the potential threat materialises.

The MAT will adopt one of the 4 risk responses outlined below:

Avoid - Counter measures are put in place that will either stop a problem or threat occurring or prevent it from having an impact on the business

Transfer - The risk is transferred to a third party, for example through an insurance policy

Mitigate - The response actions either reduce the likelihood of a risk developing, or limit the impact on the MAT to acceptable levels.

Accept - We accept the possibility that the event might occur, for example because the cost of the counter measures will outweigh the possible downside, or we believe there is only a remote probability of the event occurring.

Risk Reporting and Communication

The aim of reporting risk is to provide assurance to the Board, Senior Management and Internal Auditors that the MAT is effectively managing its risks and has a robust system of internal controls.

Risk register

The reporting mechanism will be the MAT's Risk Register and Risk Management plan. This will highlight the key risks facing the MAT, as well as a breakdown for each key strategic aim. The Risk Management Plan will be monitored by the Finance Committee on a six monthly basis.

Any significant changes in risk impact or probability, or the occurrence of an event which raises the profile of a risk will be recorded on the risk register as it occurs. Any new or increased risks identified in ALT meetings, or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register.

Communicating Risks

The Finance Committee monitors the risk management plan bi-annually. The DBFR will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered by the ALT's and reported to the Finance Committee, along with a summary of actions taken.

The DBFR will endeavour to raise awareness that risk management is a part of the MAT's culture and seek to ensure that:

- individual members of staff are aware of their accountability for individual risks
- individuals report promptly to senior management any perceived new risks or failure of existing control measures.

Annual risk review and assessment

The Responsible Officer review provides an annual assessment of the effectiveness of the MAT's management of risk.

The DBFR will prepare an annual review of the risk management plan for the Finance Committee annually. This will enable the Finance Committee to report to Board on:

- The significant risks facing the MAT
- The effectiveness of the risk management processes
- That the MAT has published a risk management policy covering risk management philosophy and responsibilities