

HASMONEAN MULTI-ACADEMY TRUST

**HASMONEAN**



אל תקרי בניך אלא בוניך

# RISK MANAGEMENT POLICY

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## **1. INTRODUCTION**

Hasmonean Multi-Academy Trust's ("The Trust") Risk Management Policy aims to ensure that the Trust complies with risk management best practice and sets out the current processes and responsibilities for risk management in the School.

The key features of the policy can be summarised as:

- The Finance & Audit Committee acknowledges responsibility for the system of internal control
- An on-going 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
- There is a system in place to deal with internal control aspects of any significant issues disclosed in the annual report and accounts

In assessing what constitutes a sound system of internal control, consideration is given to:

- The nature and extent of the risks facing the school
- The extent and categories of risk which The Finance & Audit Committee regard as acceptable
- The likelihood of the risks concerned materialising and
- The school's ability to reduce the incidence and impact of the risks that do materialise

Risk Management best practice is encapsulated in the Risk Management Standard 2002 published jointly by the major risk management organisations in the UK – The Institute of Risk Management (IRM); The Association of Insurance and Risk Managers (AIRMIC); and ALARM, The National Forum for Risk Management in the Public Sector.

## **2. RISK MANAGEMENT OBJECTIVES**

The objectives for managing risk across the Trust are:

- To comply as closely as economically possible, with risk management best practice
- To ensure risks facing the Trust are identified and appropriately documented
- To provide assurance to the Finance & Audit Committee and Trust 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.

## **3. RISK MANAGEMENT POLICY**

This policy 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 Trust

## **4. ROLES AND RESPONSIBILITIES**

The Executive and Senior Leadership Teams (ELT and SLT) have overall responsibility for managing risk. The CEO has lead responsibility for risk management processes and the Trust 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 Trust Board and Finance & Audit Committee

The Risk Register is formally reviewed by the CEO. The Risk Register is a standing item on the Finance and Premises/ Audit and Risk Committee agenda and on the Trust Board's agenda and it will monitor the identification and mitigation of risk within the Trust.

### **4.1 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 is linked to six key aims:

- Aspire, Accomplish, Achieve
- Outstanding staff, leadership and management
- Outstanding infrastructure
- Financial strength
- Inspiring and supportive culture
- Strong community and partnerships

The structure and organisation of the Trust's risk register seeks to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified.

### **4.2 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.

### **4.3 Risk appetite**

The term risk appetite describes the Trust's readiness to accept risks and those risks it would seek to reduce. Above a certain threshold, the Trust will actively seek to manage risks and will prioritise time and resources to reducing, avoiding or mitigating these risks.

### **4.4 Addressing risks**

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

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

- Avoid the activity giving rise to the risk completely
- Transfer the financial consequences to third parties or sharing it, usually through insurance or outsourcing
- Management or mitigation of risk
- Accept or assess the activity as a risk that cannot be avoided if the activity is to continue.

## **5. RISK REPORTING AND COMMUNICATION**

The aim of reporting risk is to provide assurance to the Local Governors, Senior Leadership Team and Auditors that the Trust is effectively managing its risks and has a robust system of internal controls.

### **5.1 Risk register**

The reporting mechanism will be the Trust's Risk Register. This will highlight the key risks facing the Trust, as well as a breakdown for each key strategic aim. The Risk Register will be monitored by the Trust Board on a termly 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 by SLT, Local Governors, Trustees or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register.

### **5.2 Communicating Risks**

The CEO monitors the risk register each term. He will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered and reported.

The CEO will endeavour to raise awareness that risk management is a part of the Trust'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.

**Currently being ratified**