



Bellevue Place

EDUCATION TRUST

BPET Risk Management Policy



Signed:	
Chair of Trust Board:	Claire Delaney
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Renewal:	Every two years
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RISK MANAGEMENT POLICY

1. Definition of Risk

The Trustees of Bellevue Place Education Trust (the "Trust") define risk as uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. Risk is categorised by assessing the combination of the likelihood of an event and its potential impact.

2. Risk Management

Risk management is the activity of identifying and assessing risks (the "inherent risks") and then responding to them. The Trust's resources available for managing risk are finite and so our aim is to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. Trustees recognise that risk management can be concerned with both positive and negative aspects of risk. However in terms of health and safety, safeguarding and General Data Protection Regulations¹ (hereafter GDPR) Trustees recognise that consequences are only negative in terms of outcome and our reputation and therefore the management of risk in these areas is focused on removal (or reduction where the former is impractical or impossible to achieve).

3. Risk Identification and Assessment

Risk identification cannot be centralised to Trustees, a core team or function, it must be a fluid part of the business as usual operation of the organisation and across our schools and school estate. Risk identification is a core competency and must be developed through the performance management process. A list of risks will be identified using a variety of techniques including data analysis, risk identification workshops, options appraisals and incident investigation among others. Risks will be categorised into the following framework on the Trust risk register. The Chief Operating Officer is to maintain the risk register.

<u>Factor</u>	<u>Examples</u>
Strategic	e.g. local, national and international political factors that can affect the organisation. social and cultural dynamics affecting the education system
Operational	e.g. Management information and systems, HR and human capital, Income risks, estate integrity, OfSTED outcomes, Governance breaches
Compliance	e.g. legal, regulatory and compliance matters
Financial	e.g. internal or external micro- or macro- economic factors.

Risks will be assessed on two core criteria:

- Likelihood: the probability of the risk occurring
- Impact: the positive or negative ramifications of the risk coming to fruition.



¹ <https://eur-lex.europa.eu/eli/reg/2016/679/oj>

Both criteria will be scored on the risk register, between 1 (the lowest) and 5 (the highest). When multiplied together, the total provides a quantifiable risk profile. The risk profile will then determine the severity of the risk through a simple Red, Amber, Green framework (RAG Rating) denoting overall severity.

Risk Profile

Risk profile score (severity)		RAG rating (Red, Amber, Green)			
1 ≥ 5		Green			
6 ≥ 12		Amber			
13 ≥ 25		Red			
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
Impact (y-axis) Likelihood (x-axis) →	1	2	3	4	5

Risk severity Matrix

The y-axis (see descriptors below) sets out the impact and the Trust uses the following definitions.

Impact		
1	Very Low	Insignificant. Low stakeholder concern, low impact on strategy or on teaching and learning. The financial impact is likely to be low [below £1,000]
2	Low	Fairly serious. Possibly important, but can be managed with some time and resources. The financial impact is likely to be low [below £10,000]
3	Medium	The financial impact will be moderate [between £10,000 and £100,000] Serious. A threat, which could cause us reasonable problems and would definitely take up time and resources.
4	High	Very serious. Would hinder the achievement of our strategic objectives? and/or would take up considerable time and resources. The financial impact will be significant [in excess of £100,000]
5	Very High	Major disaster. Could seriously undermine the standing and position of the organisation. Closure of a school due to fire, flood or rebrokerage out of the Trust.

Impact definitions table

The x-axis (below) assesses likelihood according to the following matrix.

Likelihood	
*Likelihood scores are based on an event taking place within one academic year or less	
1	Under 1% chance of occurring. Could happen several times in a four year period.
2	1% - 25% chance of occurring. More than once in a four year period.
3	25% - 50% chance of occurring. Some history of occurrence.
4	50% - 75% chance of occurring. Happened recently.
5	Over 75% chance of occurring. Almost certain.

Likelihood definitions table

4. Risk Management Strategy

The Trust will adopt one of the four 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 organisation 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.

5. Risk Reporting and Communication

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

Risk Register: The reporting mechanism will be BPET's Risk Register and Risk Management Policy. This will highlight the key risks facing the Trust, as well as a breakdown. The Risk Register and will be monitored by the Finance, Audit & Risk Committee on a six-monthly basis.

6. Communicating Risks

The Finance, Audit & Risk Committee will review the organisations risk appetite bi-annually. The CEO and COO will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered and reported to the Finance, Audit and Risk Committee, along with a precis of actions taken on a six-monthly exception reporting basis.

The COO will raise awareness that risk management is a part of BPET's culture and seek to ensure that:

- individual members of staff including Heads and Office Managers are aware of their accountability for individual risk.
- individuals report promptly to senior management any perceived new risks or failure of existing control measures by updating and returning their risk registers on a bi-monthly basis.

The COO will annually review organisational risk and provide an assessment of the effectiveness of the management of risk. Which will be reported to the Finance Risk and Audit Committee. This will enable the Finance, Audit and Risk Committee to report annually to the Board on:

- Any significant risks facing BPET and its schools.
- The effectiveness of the risk management processes

Appendix A – Risk Ownership / where does management control sit?

It is important that Risk Management is assessed, reviewed and reported on at all levels in the Trust.

The Trustees should:

1. Know about the most significant risks facing the organisation;
2. Ensure appropriate levels of awareness throughout the organisation;
3. Know how the organisation will manage a crisis;
4. Know the importance of government and stakeholder confidence in BPET;
5. Be assured that the risk management process is working effectively; and
6. Publish a clear risk management policy covering risk management philosophy and responsibilities.

Local Advisory Boards should:

1. Know about the most significant risks facing their own school via the school's risk register;
2. Ensure appropriate levels of awareness throughout their school / cluster;
3. Know how their school will manage a crisis including their school's business continuity plan.;
4. Know the importance of government, parents and local community confidence in their school;
5. Assure themselves that the risk management process is working effectively; and

Trustees, Headteachers and their SLTs should:

1. Be aware of risks which fall into their area of responsibility
2. The possible impacts these may have on other area
3. The consequences risks in other areas may have on them;
4. Have KPIs which allow them to monitor the key business and financial activities
5. Know how to assess developments which require intervention;
6. Have systems which communicate variances in budgets to allow action to be taken;
7. Report promptly to the Finance, Audit and Audit Committee specifically on:
 - (a) perceived new risks
 - (b) failures of existing control measures

Individuals should:

1. Understand their accountability for individual risks;
2. Understand how they can enable continuous improvement of risk management response;
3. Understand that risk management and risk awareness are a key part of our culture;
4. Report systematically and promptly to senior management any perceived new risks;
5. Report failures of existing control measures.

Appendix B - Categories of Risk and Some Examples

Main Category of Risk	Sub categories	Examples
Strategic	Strategic	Changes in funding rules, changes in demographics and demand, change in legislation, failure to achieve objectives.
	Governance	Failure to comply with regulatory requirements, difficulty recruiting governors, lack of skills, conflicts of interest
	Projects	failure to complete projects in time, project costs overrunning
People	Staff	Difficulty recruiting staff, unsatisfactory staff, loss of key staff, staff absences through epidemic, industrial action or protracted employment disputes, non-compliance with employment and immigration law
	Students	Accidents, fights or criminal activity involving students, student welfare, involvement in strike action health incidents affecting students, failure to attract enough students, poor results, radicalisation
	Third parties	Civil disturbance near academies, intruders, theft and vandalism
Resources	Soft and Hard FM and Premises	Damage to buildings making academy site unusable, deterioration of building condition requiring expensive repairs, Disability Access problems
	ICT	Breakdown of systems or equipment, cyber-crime, loss of data, unauthorised access to confidential data, reportable GDPR breach
	Supply chain	Key suppliers going out of business
Economic	Viability Value for money	Academies income not being sufficient to cover costs, failure to obtain value for money, waste, tax status
Financial	Irregularity	Fraud, dealings with connected parties, failure to follow ESFA rules, failure to follow Procurement law
	Reliability	Inaccurate or late management accounts
	Statutory	Failure to comply with Companies Act, Charities Act and ESFA accounting requirements
Information	Freedom of Information Act	Failure to comply with requests in time, disclosure of confidential information
	GDPR	Failure to reply to requests, failure to protect data
	Statutory records	Failure to maintain records required by law
Health and Safety	Policy	Failure to comply with H&S law. Occupiers Liability Act
	Management	Failure to carry out required periodic checks and appropriate planned, cyclical or preventative maintenance or set aside sufficient funds to progress these

Appendix C – Risk Appetite - Questions for the Board at a Risk Workshop

1. What are the significant risks the Board is willing to take? What are the significant risks the Board is not willing to take?
2. What are the strategic objectives of the organisation? Are they clear? What is explicit and what is implicit in those objectives?
3. Is the Board clear about the nature and extent of the significant risks it is willing to take in achieving its strategic objectives?
4. Does the Board need to establish clearer governance over the risk appetite and tolerance of the organisation?
5. What steps has the Board taken to ensure oversight over the management of the risks?

Designing BPET's risk appetite.

6. Has the Board and management team reviewed the capabilities of the organisation to manage the risks that it faces?
7. What are the main features of the organisation's risk culture in terms of tone at the top? Governance? Competency? Decision making?
8. Does an understanding of risk permeate the organisation and its culture?
9. Is management incentivised for good risk management?
10. How much does the organisation spend on risk management each year? How much does it need to spend?
11. How mature is risk management in the organisation? Is the view consistent at differing levels of the organisation? Is the answer to these questions based on evidence or speculation?

Constructing BPET's risk appetite

12. Does the organisation understand clearly why and how it engages with risks?
13. Is the organisation addressing all relevant risks or only those that can be captured in risk management processes?
14. Does the organisation have a framework for responding to risks?

Implementing BPET's risk appetite

15. Who are the key external stakeholders and have sufficient soundings been taken of their views? Are those views dealt with appropriately in the final documentation?
16. Has the organisation followed a robust approach to developing its risk appetite?
17. Did the risk appetite undergo appropriate approval processes, including at the Board (or Finance, Audit and risk committee)?
18. Is the risk appetite tailored and proportionate to the organisation?
19. What is the evidence that the organisation has implemented the risk appetite effectively?

Governing a Risk appetite

20. Is the Board satisfied with the arrangements for data governance pertaining to risk management data and information?
21. Has the Board played an active part in the approval, measurement, monitoring and learning from the risk appetite process?