



CHILTERN
LEARNING
TRUST

**RISK MANAGEMENT
POLICY AND STRATEGY
2017/18**

1.0 Policy statement

- 1.1 Taking risk management seriously is a priority for Chiltern Learning Trust. Our Risk Management Policy and Strategy forms part of the Trust's internal control and corporate governance arrangements. It is designed to provide assurance that the Trust has adopted best practice in this area.
- 1.2 The following key principles outline the Trust's approach to risk management and internal control in pursuing the aims set out above:
1. The Central Team of the Trust has responsibility for overseeing risk management across the Trust as a whole.
 2. The Trust monitors the performance of its risk management strategy through its Board of Trustees and its Audit Committee.
 3. The culture of risk awareness within the Trust and its schools is led by Trustees, School Governors, members of the Trust's Central Team and senior leaders.
 4. Key risk indicators will be identified in Risk Registers and closely monitored where necessary in action plans by the senior leadership team and Governing Body of each school and by the Board of Trustees, updated as a minimum each term, or whenever there is a significant change in circumstances.
- 1.3 Effective risk management protects and adds value to the Trust and its Schools by:
- Improving decision making, business planning and prioritisation by comprehensive and structured understanding of the wider operating environment
 - Supporting more efficient allocation and use of resources within the Trust
 - Enhancing communication between schools and the Trust
 - Protecting and enhancing the Trust's assets and reputation
 - Developing and supporting staff and the knowledge base across the Trust
- 1.4 This policy will be reviewed on an annual basis to sustain its effectiveness and bring changes to the notice of employees.

Signed

Dated

Adrian Rogers
Chief Executive
Chiltern Learning Trust

2.0 The Trust's Risk Management Strategy

2.1 Risk management is the process whereby the Trust and each of its schools methodically identifies, evaluates and manages risks associated with achieving our objectives, with the goal of avoiding or minimising their impact. It is aimed at:

- Protecting our students, staff and assets
- Managing risk in accordance with best practice and reducing the cost of risk
- Anticipating and responding to changing social, environmental and legislative requirements
- Raising awareness of the need for risk management
- Integrating risk management into the culture of the Trust
- Adopting legal compliance as a minimum standard

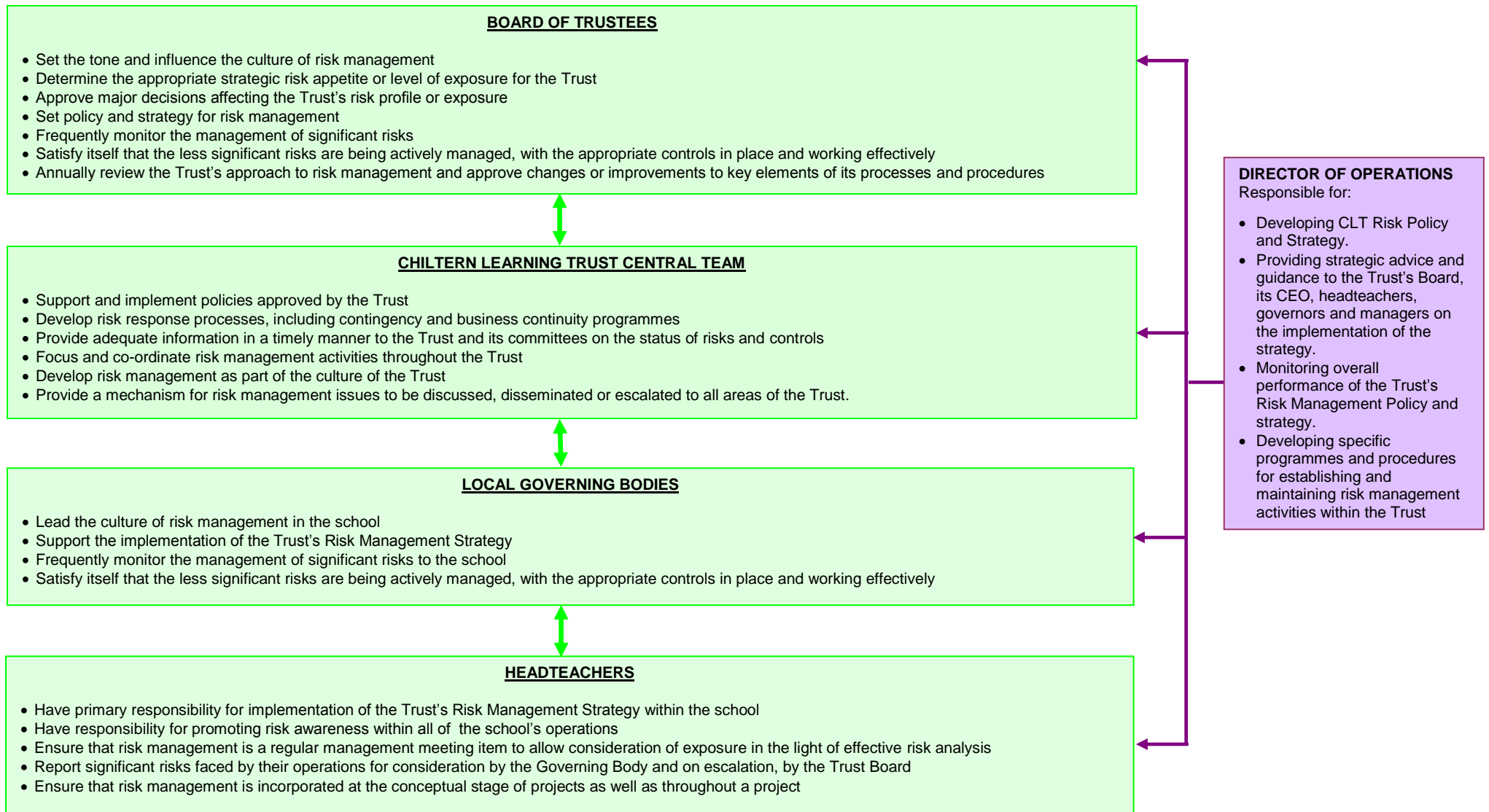
2.2 The Strategy aims to:

1. Identify and evaluate risks which could prevent the Trust or any of its schools from achieving one or more of its strategic aims, objectives and delivery targets or make their achievement substantially more difficult.
2. Assess the likelihood of such risks occurring and the potential impact of such occurrences with particular reference to the areas of:
 - People
 - Curriculum, standards and outcomes
 - Reputation
 - Finance
 - Assets
 - Compliance
 - Strategy
3. Enable decisions to be taken on how much risk to accept, the actions/controls applied to avoid or mitigate the likelihood of such circumstances arising, to transfer risk or insure against the consequences and assign responsibility for implementation.
4. Establish consistent procedures which will be adopted in the risk management process by schools and by the Trust and ensure that risk management is not seen as a separate exercise but is integrated into the strategic and operational management and decision making processes of the Trust and its schools.
5. Identify roles and responsibilities in the management, monitoring and reporting of risk.

3.0 Roles and responsibilities

3.1 The following table illustrates the organisational structure of risk management in Chiltern Learning Trust and respective roles and responsibilities.

CHILTERN LEARNING TRUST RISK MANAGEMENT ORGANISATIONAL CHART



4.0 Clarifying our strategic objectives

- 4.1 Robust risk management depends on having a clear, shared understanding about what we are trying to achieve and what success will look like. The focus of our core risk management activity will be the risks to delivery of the strategic and operating objectives at Trust and school levels as identified in our Development and operational plans.
- 4.2 Having these clear objectives and a shared understanding of purpose will help reduce uncertainty as well as focusing our respective risk identification and analysis activities; both of which will help maximise the likelihood of us achieving our goals.

5.0 Identify the threats/hazards

- 5.1 Risk is about those potential future events that could impact on the achievement of our objectives. Risks, by definition, are not certain, but they are significant - they will have an impact if they emerge. Risk management uses past experience and current intelligence to predict what may happen, allowing us to get the best control over future uncertainty. The outcome of a risk emerging may not be wholly negative, it may be that some unexpected opportunities arise from the risk event happening.
- 5.2 The process of risk identification by schools should involve the senior leadership team and school Governors. Trustees and Central Team officers should be involved when this process is undertaken for the Trust.
- 5.3 Consideration will be given to the following factors:
- The strategic objectives
 - The nature and scale of the school or Trust's activities, both current and planned
 - External factors that may affect the school or Trust such as legislation and regulation
 - The reputation of the school and Trust with its key stakeholders;
 - The operating structure, e.g. functions and issues that the school or Trust are facing

6.0 Assess the risks

- 6.1 Each risk should be assessed and scored as set out in the guidance within the Trust's Risk Register template, attached at Appendix A which will be used by schools and the Trust to record and monitor risks.

To be most effective, risk assessment should also take into account 'existing controls', i.e. the management practices that are already in place that aim to manage the risk described.

7.0 Record, review and report

- 7.1 Any risks that are subject to control measures should be recorded in the risk register. Risks will be grouped by the following categories:
- People
 - Curriculum
 - Reputation
 - Finance
 - Assets
 - Compliance
 - Strategy

- 7.2 Clear ownership should be allocated to actions along with a scheduled date for review.

- 7.3 School risk registers will be reviewed regularly and as a minimum every term by the senior leadership team and this will be reported to the school's Local Governing Body to ensure:
- New risks/escalating risks are identified
 - Planned actions are carried out in line agreed timescales
 - Updating of the risk register as risks change over time
 - Early signs of developing risks are identified
- 7.4 A copy of the school's risk register will be provided to the Trust every six months and significant risks will be reported to the Board of Trustees so that they are aware of the operation of the risk management policy and the controls in place to limit exposure to risk.
- 7.5 The Board of Trustees will separately review the Trust's overall strategic risk register on an annual basis and significant risks will be monitored and reported in termly meetings.

Appendix A – Chiltern Learning Trust's Risk Register Template



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RISK REGISTER

Introduction

This risk register is intended for use by schools and by the Trust to provide a focus on the risks that threaten the achievement of our strategic and operating aims and objectives.

There are four steps to completing this risk register:

- Clarifying our strategic objectives
- Identify the threats/hazards
- Assess the risks
- Record, review and report

1) Clarifying our strategic objectives

Robust risk management depends on having a clear, shared understanding about what we are trying to achieve and what success will look like. The focus of our core risk management activity will be the risks to delivery of the strategic and operating objectives at Trust and school levels as identified in our Development and operational plans.

Having these clear objectives and a shared understanding of purpose will help reduce uncertainty as well as focusing our respective risk identification and analysis activities; both of which will help maximise the likelihood of us achieving our goals.

2) Identify the threats/hazards

Risk is about those potential future events that could impact on the achievement of our objectives. Risks, by definition, are not certain, but they are significant - they will have an impact if they emerge. Risk management uses past experience and current intelligence to predict what may happen, allowing us to get the best control over future uncertainty. The outcome of a risk emerging may not be wholly negative, it may be that some unexpected opportunities arise from the risk event happening.

The process of risk identification should involve the senior leadership team of schools, Trustees and Central Team officers when undertaken for the Trust.

Consideration will be given to the following factors:

- The strategic objectives
- The nature and scale of the school or Trust's activities, both current and planned
- External factors that may affect the school or Trust such as legislation and regulation
- The reputation of the school and Trust with its key stakeholders;

- The operating structure, e.g. functions and issues that the school or Trust are facing

3) Assess the risks

Each risk should be assessed and scored as follows in terms of the **likelihood** of its occurrence, and its **impact** on the School/Trust, should it occur.

To be most effective, risk assessment should also take into account ‘existing controls’, i.e. the management practices that are already in place that aim to manage the risk you are describing.

Likelihood	Impact
For each of the risks you have listed assess the likelihood of their occurrence on the following scale:	Also assess their impact on the following scale:
1. extremely unlikely; rare occurrence 2. unlikely 3. possible 4. likely 5. highly likely; frequent occurrence	1. insignificant 2. minor 3. moderate 4. major 5. severe

The ‘total score’ for each risk is calculated by multiplying the numerical value given for likelihood by the numerical value given for impact. This is not a scientific process, but does support considered judgements about the level of risk. The total score is then plotted against the following risk matrix.

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Severe
Likelihood	5 Very Likely	5	10	15	20	25
	4 Likely	4	8	12	16	20
	3 Possible	3	6	9	12	15
	2 Unlikely	2	4	6	8	10
	1 Very Unlikely	1	2	3	4	5

The total score will inform the action you will take on each risk.

Total scores of 1- 2 indicate a low risk and no need for further action other than ensuring that any existing controls are maintained and reviewed.

Total scores of 3 – 6 indicate a need to monitor and improve any existing controls if possible

Total scores of 8 - 12 indicate a medium risk and a need to improve existing and identify new control measures

Total scores of 15-16 indicate a need to take urgent action to identify or improve control measures within specific timescales and to monitor these rigorously

Total scores of 20 - 25 indicate a very high risk and a need to take immediate action which may include detailed action planning or ceasing the activity.

4) Record, review and report

Any risks that are subject to control measures should be recorded in a risk register, formatted as in the example below. Risks will be grouped by the following categories:

- People
- Curriculum, standards and outcomes
- Reputation
- Finance
- Assets

- Compliance
- Strategy

Clear ownership should be allocated to these actions along with a scheduled date for review.

School risk registers will be reviewed regularly and as a minimum every term by the senior leadership team and this will be reported to the school's Local Governing Body to ensure:

- New risks/escalating risks are identified
- Planned actions are carried out in line agreed timescales
- Updating of the risk register as risks change over time
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A copy of the school's risk register will be provided to the Trust every six months and significant risks will be reported to the Board of Trustees so that they are aware of the operation of the risk management policy and the controls in place to limit exposure to risk.

The Board of Trustees will separately review the Trust's overall strategic risk register on an annual basis and significant risks will be monitored and reported in termly meetings.

Example risk register entry

Risk Category – People

Risk Number	Risk Description	Current Controls	Impact (1 to 5)	Likelihood (1 to 5)	Total Score	Further action required and/or review date	Risk Owner
1	Lack of effective leadership capacity to realise the CLT growth strategy	Skills audit of Central Team Recruitment of specialist expertise Appropriate external support in place Succession planning SLE appointments Effective CPD	3	2	6	Repeat skills audit and review at each phase of growth To be reviewed 1/9/2018	AR