**BIRMINGHAM CITY UNIVERSITY ACADEMIES TRUST**

**RISK MANAGEMENT POLICY**

1 **Purpose of this Policy**

The Trust’s Risk Management Policy forms part of BCUAT’s corporate governance arrangements and governance statement. It outlines the Trust’s approach to the identification and management of risk and the responsibilities of key parties.

2 **Objectives**

The purpose of risk management is to:

* 1. Protect and promote the wellbeing and educational development of pupils;
  2. Safeguard the quality and standards of teaching;
  3. Ensure the health and safety of pupils, of staff, and of visitors to the Trust’s premises;
  4. Safeguard the Trust’s assets and its financial and material resources;
  5. Provide assurance to the Board and to the Trust’s stakeholders and partners that risks that could adversely affect the Trust’s reputation, sustainability, or its ability to achieve its strategic objectives, are being proactively identified and controlled;
  6. Promote good corporate governance.
  7. Comply with the Academies Financial Handbook and other statutory obligations to

prevent irregularity and impropriety.

3 **Scope**

This policy applies both to the Trust corporately and to all academies within the Trust.

4 **Risk Management Approach and Risk Appetite Statement**

4.1 Risk management is an integral part of the Trust’s framework of internal control and is embedded in the Trust’s approach to strategic planning and decision-making.

The Trust recognises that it is not possible to eliminate all risk if innovation is to take place, opportunities are to be pursued and advancement is to be realised. However, by adopting a proactive approach to risk management, it seeks to anticipate, identify and quantify risks before they arise to assist strategic decision-making and ensure that potential risks are, where possible, avoided, eliminated or mitigated. Risks in the external environment should be anticipated and measures adopted to avoid or mitigate their possible harmful impact.

4.1.1 The Trust will refer to ESFA investigation reports and guidance published on reducing the risk of financial irregularities to inform the management of risks.

4.1.2 The Trust has a risk appetite statement and this was approved by the Board of Directors in April 2017. This will be reviewed on an annual basis.

4.2 The Trust’s approach to risk management therefore emphasises:

* + 1. The early identification of potential risks;
    2. Assessment of the likelihood of risks occurring and of their potential impact;
    3. The evaluation of risk versus reward when taking strategic decisions;
    4. The identification of mitigating controls with a view to avoiding or reducing the likelihood of risks materialising or to eliminating or mitigating their impact.

4.3 The Trust adopts an open and receptive approach to solving risk problems and makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risk.

4.4 The Trust will determine its risk appetite in general and, where appropriate, in relation to individual issues or academies.The Trust defines risk as something that might have a detrimental impact on the achievement of the objectives of the Trust and of individual Academy’s. The Trust therefore need to ensure that it has an effective risk management process so that innovation is not stifled and that the assets of the Trust and the Schools are protected.

4.5 Examples of the types of risks which the Trust may face, through its constituent parts include:-

4.5.1 A failure of a School to comply with statutory obligations and regulations

4.5.2 A failure to act in a manner that maintains and brings about continual improvements in the educational standards of the School

4.5.3 A failure to fulfil a duty of care to those within the School and with whom the School comes in to contact with

4.5.4 Loss or deterioration of assets over and above normal wear and tear

4.5.5 Failure to ensure that the School’s reputation is protected, thus avoiding any adverse impact on public confidence

4.6 Through an approach that seeks to manage risk so that innovation and development is not constrained, the Trust will seek to identify and assess opportunities so that decisions can be made in an informed manner. Risk identification analysis and management will be embedded within Trust practices. This will ensure that the Trust can achieve its objectives in an effective and efficient manner.

4.7 The Trust maintains a Strategic Risk Register of its most significant risks to facilitate early identification and control. It expects each of its academies and administrative functions to consider their own operational risks, reflecting their individual circumstances and informing the Trust’s identification of corporate risk. Each academy will maintain its own operational risk register. Risk registers will contain:

4.7.1 Details of the risk;

4.7.2 The individual responsible for ensuring controls are in place to manage the risk and/or the body responsible for monitoring and oversight;

4.7.3 Actions already taken or being taken to mitigate the risk;

4.7.4 A net risk assessment indicating the adequacy of controls and the impact of occurrence despite controls;

4.7.5 Sources of assurance that control measures are in place and effective;

4.7.6 The date that controls were last reviewed.

**5 Roles and Responsibilities: Academies and Trust Administrative Functions**

5.1 Academy Principals are responsible for:

5.1.1 Complying with the Trust’s policies on risk management and internal control;

5.1.2 Identifying and evaluating significant risks to the successful operation and sustainability of their Academy and, through the Accounting Officer, advising on strategic risks that have the potential to affect the Trust as a whole;

5.1.3 Maintaining a register of their Academy’s most significant risks;

5.1.4 Coordinating and overseeing implementation of the risk management arrangements across the Academy;

5.1.5 Providing assurance to their Local Advisory Body, together with the Accounting Officer of the Trust, on the adequacy and effectiveness of the controls implemented to manage risk.

5.2 Local Advisory Bodies are responsible for:

5.2.1 Formally reviewing their Academy’s risk register at least twice annually;

5.2.2 Satisfying themselves that the risk control measures adopted are adequate and effective in controlling risks;

5.2.3 Monitoring the management of significant risks to reduce the likelihood of unwelcome surprises;

5.2.4 Providing assurance to the Trust Board, through the Accounting Officer and relevant Trust committees, that key risks are being identified and controlled effectively.

5.3 Heads of Trust Administrative Functions are responsible for:

5.3.1 Complying with the Trust’s policies on risk management and internal control;

5.3.2 Alerting Academy Principals and the Trust’s Accounting Officer to operational and strategic risks affecting individual academies or the Trust as a whole;

5.3.3 Implementing risk management measures for both operational and strategic risks within their overall sphere of control and providing timely information and assurance as appropriate to Local Advisory Bodies, the Accounting Officer, or to the Trust Board or relevant committees.

**6 Roles and Responsibilities: the Trust Overall and Strategic Risks**

6.1 The Accounting Officer is responsible for:

6.1.1 Complying with Trust policies on risk management and internal control;

6.1.2 Identifying and evaluating the strategic risks to the successful operation and sustainability of the Trust and its academies;

6.1.3 Maintaining the Strategic Risk Register, initiating formal reviews and escalating new and emerging strategic risks as they arise between reviews;

6.1.4 Coordinating and overseeing risk management arrangements across the Trust and its academies, ensuring appropriate linkage between risks identified by individual academies, Trust administrative heads and the corporate-level Strategic Risk Register;

6.1.5 Providing adequate information and assurance in a timely manner to the Trust Board and its committees on the status of risks and controls.

6.2 The Trust Board is responsible for:

6.2.1 Setting the tone and influencing the culture of risk management across the Trust and its academies;

6.2.2 Approving the Trust’s Risk Management Policy and keeping it under review;

6.2.3 Formally reviewing the Strategic Risk Register once per annum;

6.2.4 Approving major decisions affecting the Trust’s risk profile or exposure;

6.2.5 Monitoring the management of significant risks to reduce the likelihood of unwelcome surprises;

6.2.6 Satisfying itself that the less significant risks are being actively managed and controlled effectively.

6.3 The Audit Committee is responsible for:

6.3.1 Reviewing the Strategic Risk Register at least twice per annum and providing assurance to the Board of the Trust on the adequacy and appropriateness of the Trust arrangements for risk management;

6.3.2 Scrutinising the adequacy of the internal control and assurance framework against the risks identified in the Strategic Risk Register and advising the Board and management accordingly;

6.3.3 Commissioning internal audit arrangements to provide assurance in areas where assurance is not better provided by other means.