

# Windsor Learning Partnership: Risk Management Policy

## Introduction

An effective Risk Management Policy involves the identification of risks and actions to remove or limit its impact on the strategic aims and objectives of Windsor Learning Partnership.

The key starting point for the process are the strategic objectives of Windsor Learning Partnership as identified in each schools within the Trust's School Development Plan, Annual budget and three year plan. It is the risks to the achievement of these objectives that this policy seeks to minimise.

Risk management includes a five-step process:

- Identify, assess and evaluate the risks
- determine appropriate response to risks (risk appetite)
- assess existing controls and determine appropriate actions
- allocate responsibility for action
- monitor the results

Identify assess and evaluate the risks

The Windsor Learning Partnership Risk Management Policy advises that risk identification should be approached in a methodical way to ensure that all significant activities have been identified.

The identification, assessment and evaluation of risk is done by means of using a risk register following the format suggested in the Academies Financial Handbook to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified.

Approved by:

Approved on:

Review date:

Responsibility for review:

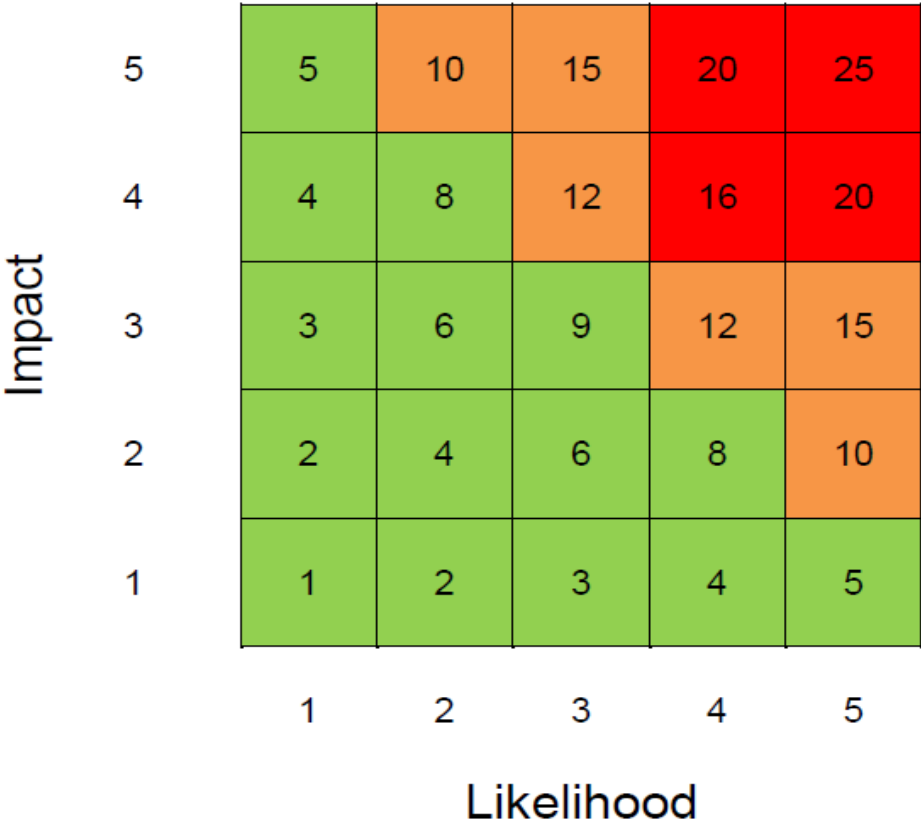
Board of Trustees

29 June 2015

Summer 2016

CEO to recommend to Trustees

The Trust uses a 5x5 matrix to assess the likelihood and impact of a risk occurring with high being 5 and low being 1, as illustrated in the diagram below:



The descriptors for impact and likelihood can be expanded as follows:

The impact of risk occurring:

Impact	Description
High	The financial impact will be significant [in excess of £100,000] Has a significant impact on the school's strategy or on teaching and learning Has significant stakeholder concern
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

The Likelihood of risk occurring:

Likelihood	Description	Description
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

- Risk appetite is the amount of risk to which the organisation is prepared to be exposed before it judges action to be necessary
- Risk appetite is also about comparing the cost (financial or otherwise) of constraining the risk with the cost of exposure should the risk become a reality, and finding an acceptable balance.
- Some risk is unavoidable, and not within the ability of the organisation to completely manage it down to a tolerable level.

## Response to Risk

When responding to risks, the Trust will seek to ensure it is managed and does not develop into an issue where the potential threat materialises by adopting one of the 4 responses below:

**Transfer:** For some risks the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks of risks to assets.

**Tolerate:** The exposure may be tolerable without any further action being taken. Even if it is not tolerable, ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be toleration. This option may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised.

**Treat:** By far the greater number of risks will belong to this category. The purpose of treatment is not necessarily to obviate the risk, but more likely to take control action to contain the risk to an acceptable level.

**Terminate:** Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in the public sector when compared to the private sector; a number of activities are conducted in the public sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved.

## The Risk Register

The risk register will be the Trust's reporting mechanism for risk. This will highlight the key risks facing the Trust and allocate responsibility for action.

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 Governor or SLT meetings, or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register.

The Risk Register will be kept as a standing agenda item and reviewed each term by the Finance and General Purposes committees. The Responsible Officer Reports will provide an assessment of the effectiveness of the school's management of risk.

The Risk Management Policy will be reviewed annually by the Finance and General Purposes committees and ratified by the Trust annually.