OAT Risk Management Policy and framework

Ormiston Academies Trust

Ormiston Six Villages Academy
Risk management policy and framework

Policy version control

Policy type	Mandatory OAT
Author In consultation with	Jo Dawson (National Director of Finance) Executives
Trust Board approval	September 2020
Release date	October 2020
Next release date	September 2021
Description of changes	N/A – new policy

Contents

1. Introduction

1.1. Good governance is key to school improvement. It also underpins our Risk Management Framework.

1.2. Risk is the threat of an action or event adversely affecting the trust's ability to achieve its objectives and successfully execute its strategies.

1.3. Risk management is the process of identifying, evaluating and controlling risks and is a key element in the framework of academy governance.

1.4. The overarching responsibility of governance of the Trust and its academies lies with the Board of Trustees. The trustees are responsible for setting and monitoring strategic objectives, as well as compliance with charity and company law and the Group's funding agreement.

1.5. Day-to-day responsibilities for challenge, intervention and support are delegated by the Board through a Scheme of Delegation to the Executives and their teams.

1.6. OAT operates a holistic framework across different tiers of governance and different activities. responsibilities and accountabilities of each tier are outlined in the OAT Scheme of Delegation and summarized in the OAT Decision Framework.

2. Guiding Principles and risk appetite

2.1. Our risk framework has been created in the context of our mission: To become the Trust that makes the biggest difference, both inside and outside of the classroom.

2.2. Our long-term sustainability as a Trust depends upon on our ability to meet the strategic objectives relating to our mission. This includes our relationships and reputations with our stakeholders but most importantly, with our pupils, their parents and guardians, and the local communities in which we serve.

2.3. In general, we have a low risk appetite and we work hard to reduce the risk to the physical, mental, emotional and educational welfare of our pupils.

2.4. Educational service providers inevitably face some risks that cannot be mitigated completely without increasing other risks. Likewise, higher risks are occasionally accepted in order to achieve the overall strategic objectives.

2.5. Resources are not infinite. They must be allocated responsibly across competing priorities. For this reason, we use a methodology which identifies and evaluates risks and ensures that we have measures in place to reduce all risks to an acceptable level.

2.6. Internal control is another key part of risk management. It helps to safeguard use of public funds and the academy's assets and also aids the efficiency of operations, ensures the reliability of reporting and assists compliance with legislation.

2.7. Metrics, associated information and monitoring controls are a key part of internal controls and these should be reflected in the risk register.

2.8. The risk management process should be on-going and embedded into the academy culture.

2.9. Risk cannot be eliminated fully but can managed effectively if understood.

3. Risk framework

3.1. There are numerous ways in which organisations categorise risks. For example: strategic, financial, operational, reputational and legal.

3.2. At Ormiston Academies Trust, we have developed a framework where risks are grouped and considered as follows:

- **Duty to our key stakeholders**, including parents and communities, for the safety and welfare of children, and for their educational outcomes.
- **Organisational effectiveness**, including the ability to structure our organization and attract, recruit, develop and retain staff that meet the current needs and aspirations of the organisation, and **efficient delivery** through robust organizational management processes and systems across all functions.
- **Trust viability** where success is measured by the strength of the Trust's strategic, financial and structural integrity and through its ability to demonstrate added value to the academies and communities that they serve.
- **Compliance** with laws and statutory guidelines.

3.3. We believe that, by taking this approach, we will deliver on our strategy in a sustainable manner and achieve our mission.

3.4. Across these four groups, we have created 10 risk headings and it is at this level that we have delegated ownership to trustee committees and executives. However, the Board of Trustees is ultimately responsible for ensuring that risk is managed and they will review both the risk policy and risk register at least once a year.

3.5. The Principal will be accountable for managing the academy level risks and will have overriding control of the academy risk register and its completion within the academy.

3.6. However, it is recommended that the responsibility for ensuring that the risk register is maintained is given to a senior staff member who demonstrates the appropriate skills and behaviours.

3.7. The principal should notify the Head of Assurance of the name and role of the person who is responsible for performing this task so that appropriate training and support can be provided as necessary.

3.8. Each risk on an academy risk register should be assigned to a member of the academy SLT.

3.9. The risk register should be shared as part of the LGB paperwork and pre-read by the LGB with any concerns being raised within the LGB. It is at the discretion of the LGB if they wish to discuss risks in optional sub-committees.

Risk Heading	Delegated executive and risk owner	Governance forum
Trust Strategy, growth, transformation and stakeholder engagement (Trust Governance)	Chief Executive Officer	Full Board
Child welfare and protection	National Director of Education	Education Committee
Educational standards and pupil outcomes	National Director of Education	Education Committee
People Management (recruitment, performance management, development, well-being, pay and remuneration)	National Director of HR National Director of Teaching & Training	People Committee
Pupil Numbers (and associated data)	National Director of Education	Education Committee and Finance Committee
Financial Management (Including Procurement)	National Director of Finance	Finance Committee
Estates Management	National Director of Estates and Technology	Finance Committee
Technology Management (Incl. GDPR)	National Director of Estates and Technology	Finance Committee
Trust (incl. Academy) Governance	National Director of Finance	Audit & Risk Committee
Compliance with Statutory and Trust Policies	National Director of Finance	Audit & Risk Committee

4. Risk management and the risk register

4.1. To identify, evaluate and proactively manage risk, we have developed a risk register that meets the needs of our organization.

4.2. Within the risk register, each of the risks are categorized under the ten risk headings noted above so that they can be grouped and reviewed by the relevant executive, academy SLT and governance forum.

4.3. Each entry in the risk register gives details of the risk and is evaluated using a scoring system which takes account of:

- The probability of the risk materialising
- The potential impact it would have
- The risk-mitigating measures and controls currently in place across the trust

4.4. This produces a "net residual" score that is deemed either acceptable or unacceptable. If unacceptable, then details of further risk-mitigating actions are included in the risk register, including deadlines for implementation.

4.5. Where the need for risk mitigating measures (in place or to be acted on) is highlighted, then the management of both is included within the objectives of the relevant executive, academy SLT and subject to annual review and appraisal.

4.6. The risk register is a "living document" held on a shared site accessible by the appropriate stakeholders. It is the responsibility of each risk owner to monitor on an on-going basis and to update the risk register and highlight these changes to the executives and Board as appropriate.

4.7. The risk register is formally reviewed on a termly basis (three times per year) by the Executive Committee at Head Office and by SLT at the Academy, in line with the financial planning cycle. Scores may be adjusted and risks added or removed.

4.8. Where further actions are required these are shown on an action tracker (held within the same file) with a cross reference to the relevant risk. The action tracker is reviewed monthly by the executive team and Senior Leadership Team, to ensure all risk mitigation actions are acted on promptly.

4.9. The risk register is administered and monitored by OAT's Head of Assurance and overseen by the National Director of Finance.

5. Compliance risk and policy management

5.1. The development of clear well-communicated policies along with appropriate level of awareness-raising and training, are key elements of the risk management process.

5.2. In addition to general organizational laws covering topics such as employment, health and safety, data protection, equality, financial reporting and data protection, the education sector is subject to a broad range of statutory guidance and regulation in specific areas including, but not limited to, the following:

- Safeguarding and child protection
- Special Education Needs and Disabilities (SEND) and Accessibility
- Relationship and Sex Education (RSE)
- Careers
- Admissions
- Exclusions
- Complaints
- Freedom of Information

5.2 We are developing a comprehensive set of trust wide policies which will be published both on the Trust website and each Academy website.

5.3. Each academy will have a designated Statutory Information Administrator (SIA) to act as a single point of contact with the central OAT governance team to ensure that policies and other statutory information are consistently updated and published according to our central trust wide guidance.

5.4. Each trust wide statutory policy has an executive-level owner and for some policies sign-off belongs to the executive team or the Trust board.

5.5. A schedule is maintained for review and trustee approval of these policies at an appropriate frequency. This schedule summarises the measures in place to ensure staff understanding and compliance in practice.

5.6. Staff awareness of policies is managed in a number of ways, including:

- Induction
- Inset days
- OAT bulletins and other internal communications
- Online and face-to-face training (e.g. safeguarding, data protection, financial reporting)

5.7. Each academy Principal is ultimately responsible for policy compliance within their academies. The OAT central team includes specialists dedicated to supporting the academies to meet their compliance obligations in specific areas such as:

- Safeguarding [National Director of Education]
- Health & Safety [National Director of Estates and Technology]
- Offsite Trips and Visits [National Enrichment Coordinator]
- SEND [National Director of Primary and SEND]
- HR [National Director of HR & Operations]
- Finance [National Director of Finance]

5.8. External inspections, and the recommendations arising from the compliance aspects of Ofsted inspections also contribute to this area of risk management.

6. The Academy Governance Framework

6.1. Risk, Governance and Compliance Management go hand in hand and our framework of academy governance and decision-making are fundamental to our approach to risk management.

7. Risk management training

7.1. The Head of Assurance and Head of Governance assess risk management training requirements on an annual basis.

8. Trustee oversight and assurance

8.1. The OAT Board of Trustees delegates the review of sections of the risk register to an appropriate sub-committee which then presents its findings to the main Board as necessary but at least once per year.

8.2. Review of the effectiveness of the Risk Framework itself (i.e. quality assurance or risk management processes rather than risk management content) is the responsibility of the Audit and Risk committee.

8.3. Internal audit resources (sourced externally by OAT) are directed by this committee to provide assurance regarding the operation of this risk management policy and framework.