



THE CONSORTIUM
ACADEMY TRUST

Shaping Positive Futures

**Risk Management Policy
and Risk Appetite Statement**

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The Consortium Academy Trust (the Trust)
An Exempt Charity Limited by Guarantee
Company Number 07665828

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Policy Statement

Why the Policy is Needed:

The purpose of this policy is to outline the approach, responsibilities, and procedures for managing risk within the Trust. By effectively identifying, assessing, and mitigating risks we aim to safeguard the interests of our schools and learners, staff and stakeholders while supporting the achievement of our strategic objectives.

The Trust's vision is to shape positive futures by offering its learners the best possible education to maximise their potential. To do this, it is necessary to progress, make changes and innovate which may bring accompanying risk; therefore, the Trust will always take a proactive and strategic approach towards risk management.

The Trust is committed to minimising unwelcome risk through effectively identifying, measuring, managing, monitoring and transparently reporting risk. This means reducing the likelihood of an unwanted event happening, reducing any residual impact and taking all reasonable measures to prevent harm in all areas of the Trust's operations.

What the Policy will Achieve:

The purpose of the Risk Management Policy and linked Risk Appetite Statement is to ensure:

- The Trust has a framework for managing the risks facing it and that by identifying and mitigating risks early, the Trust can reduce the likelihood and impact of negative events, such as financial losses, reputational damage, or operational disruptions.
- The Trust complies with risk management best practice, achieves compliance, and avoids legal issues or penalties.
- The Trust achieves its objectives in the most effective way, using a structured approach to risk assessment to understand risk in order to make informed decisions, balancing risk and reward.
- The Trust has enhanced resilience and is enabled to recover quickly and adapt to unforeseen events, thereby strengthening its long-term stability.

1. Introduction

The Risk Management Policy and Risk Appetite Statement has been designed for use by all staff of the Trust and it serves to:

- Outline the roles and responsibilities for risk management.
- Communicate the strategies for managing risk in the Trust.
- Establish procedures which should be adopted in the risk management process.

2. Aims and Objectives of Risk Management

The Trust's overall risk management policy is designed to:

- Help all staff to understand risk and how it applies to their roles and responsibilities.
- Protect its learners, staff and assets.
- Manage risk in accordance with best practice and reducing the impact of risk.
- Anticipate and respond to changing social, environmental, and legislative requirements.
- Raise awareness of the need for risk management throughout the Trust.
- Integrate risk management into the culture and day-to-day operation of the Trust.
- Adopt legal compliance as a minimum acceptable standard.
- Enhance the resilience and long-term sustainability of the Trust, informing the decision-making process through timely and accurate information about risks.

3. Roles and Responsibilities

The Trust Board has overall responsibility for risk management. The Finance, People and Resources Committee and the Audit and Risk Committee receive regular reviews of the Trust Strategic Risk Register. Both committees are chaired by a Trust Board Member.

The Audit and Risk Committee, in addition to a review of risk, have additional scrutiny on internal audit to:

- Direct the Trust's programme of internal scrutiny.
- Ensure that risks are being addressed appropriately through internal scrutiny.
- Report to the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.

The Head of Operations has lead responsibility for risk management processes and the Trust Strategic Risk Register. This responsibility includes:

- Monitoring the performance of risk management processes.
- Ensuring that appropriate controls are in place to manage identified risks.
- Preparation of periodic reports to the Audit and Risk Committee.
- Collating data from Trust schools to determine trends in risk areas.

Risk is a standard agenda item for the Trust SLT. The Strategic Risk Register is formally reviewed by the SLT prior to each meeting of the Audit and Risk Committee. An update on risk status is submitted to the Audit and Risk Committee on a termly basis. The Risk Management Statement is monitored by the SLT and forms part of the CEO's annual report to the Trust Board.

The SLT members have the following responsibilities for risk management:

Chief Executive Officer – providing strategic leadership and guidance to the SLT on risk related matters, monitoring the effectiveness of risk management processes.

Director of Finance – assessment of financial risks facing the Trust including, cashflow, investment, budgetary constraints, funding uncertainty and financial stability. Additionally, the development of financial risk management strategies to mitigate those associated risks. The Director of Finance will ensure compliance with financial regulations and reporting and will provide regular updates to the CEO, FRPC and Trust Board. Reports from External Auditors will also provide third level assurance and will populate the Trust Risk register via the Director of Finance.

Director of Governance – oversight of governance processes within the Trust, compliance with legal and regulatory requirements, ensuring governance structures are in place to support risk management activities.

Director of People – oversight and management of human resource-related risks, such as workforce planning challenges, recruitment difficulties, and employee relations issues. Provision of guidance and support to the Trust leaders on HR matters, including performance management, disciplinary actions, employee well-being and monitoring HR metrics and trends to identify potential risks and areas for improvement.

Executive Directors of Education – oversight of risk related to Safeguarding and risk factors affecting outcomes for learners.

Director of Infrastructure – oversight of risk related to the Trust Estate, with particular reference to Health and Safety, Information Technology, Cyber Security and Data Management.

Head of Operations – liaison with SLT members to identify operational risks within the Trust and their effective management, liaison with Headteachers and Operations Managers to review identified risk issues within individual schools, maintenance of the Trust Strategic Risk Register liaison with External Auditors to ensure compliance with audit findings.

All Trust Staff – responsible for following this risk management policy and actively observing and reporting any activities, processes or incidents that may pose risk to the organisation.

4. Risk Appetite Statement

Risk Appetite Statement describes the Trust's level of readiness to accept risk in pursuit of its objectives, helping guide decision-making and risk management practices. The Trust will consider whether risk is justifiable. If taking a risk indicates that the Trust's reputation and operation could be jeopardised, the Trust will always consider the likelihood of this happening and how the risk will be controlled.

The Trust commits to maintaining a balanced approach to risk management, seeking opportunities which enable appropriate growth and development whilst preserving the long-term sustainability of the Trust and the schools therein. The risk appetite will be informed by an understanding of the Trust’s capacity, such as finances and staff availability, to mitigate the risk and secure positive outcomes.

The Risk Appetite Statement comprises decisions made on:

Risk Tolerance Levels: It defines thresholds for acceptable and unacceptable risk levels in different areas (e.g., financial, operational, reputational) and ensures that the Trust remains within its capacity to absorb or mitigate risks.

Alignment with Trust Goals: It links the risk appetite to The Trust’s objectives to ensure decisions support long-term success and reflects our culture, regulatory requirements, and market conditions.

Stakeholder Considerations: It balances the expectations of our stakeholders and takes into account the need for transparency and accountability.

4.1 Risk Appetite Descriptors

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is the key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit / return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have no degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and / or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a greater extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

Risk Appetite classifications have been applied to areas of risk currently known or foreseen by the Trust and Risk Appetite Statements have been agreed by the Trust Board. The Risk Appetite Statements are reviewed annually by the SLT, Audit and Risk Committee and the Trust Board to ensure currency. For the period of this Statement (2024 – 2026) the risk statements detailed in Appendix 1 shall apply unless a review requires an amendment in-year.

5. Identifying and categorising risk

It is the responsibility of the Trust SLT, Audit and Risk committee, Finance, People and Resources Committee, Board of Trustees, and all staff members in the Trust to play their part in the identification of risk. For all categories of risk, the Trust will refer to mitigation or contingency plans which will help to minimise the impact of those risks.

Our approach to risk management is linked to the following key aims:

- Control risk to create capacity for sustainable and managed growth.
- Raise awareness of financial and compliance risk across the Trust.
- Establish clear lines of accountability.
- Ensure public funds are spent in accordance with the Nolan Principles.

Risk Categories

- **Strategic and Reputational risks** – concern the long-term strategic objectives of the Trust. They can be affected by such areas as capital availability, legal and regulatory changes, reputation and changes in physical environment.
- **Financial risks** – concern the effective management and control of Trust finances at either Trust or school level and the effects of external factors such as interest rate movement.
- **Compliance risks** – concern such issues as health and safety, environmental, data protection, employment practices and regulatory issues.
- **Operational risks** – concern the day-to-day issues confronting the Trust and its school and that staff raise and discuss with line managers and which are maintained by the Headteacher of each Trust school.

Internal risks – These risks will be, to some extent, under the control and responsibility of the Trust and are a consequence of the decisions which it makes and events arising from within the Trust. The Trust will take the following actions to manage internal risks:

External risks – The Trust will prepare for external events, e.g. a pandemic or extreme weather, and considers how to make the Trust more resilient to such events. The Trust will take the following actions to manage external risks:

6. Evaluation of risks

The Risk Management Statement states that risks should be evaluated against agreed criteria in order to make decisions about the significance of risks to the Trust. Each risk should be assessed in terms of probability of its occurrence, and its impact on the Trust should it occur.

Priority	Action Level
Critical	Requires immediate high-level action to reduce the risk to an acceptable level.
High	Significant management action/control evaluation and improvements required and/or continued proactive monitoring.
Medium	Seek cost effective management action/ control improvements.
Low	Seek control improvements if possible and/or monitor regularly.
Very Low	Minimal Impact, unlikely to occur – monitor and review regularly.

The descriptors for impact and probability are expanded as follows:

6.1 Impact of risk occurring

Impact	Description
Major	There will be serious financial impact
	Has significant impact on the Trust’s Statement or on teaching and learning
	Has significant stakeholder concern
Significant	The financial impact will be significant
	Has a moderate impact on Statement or on teaching and learning
	High stakeholder concern
Moderate	The financial impact will be moderate
	Has no more than a moderate impact on Statement or on teaching and learning
	Moderate stakeholder concern
Minor	The financial impact is likely to be low
	Has a low impact on Statement or teaching and learning
	Low stakeholder concern
Negligible	Has no impact or Statement or teaching and learning
	No stakeholder concern

6.2. Probability of risk occurring

Probability	Description	Indicator
Almost Certain	Likely to occur each year, or more. than 50% chance of occurrence within next 12 months	Potential of it occurring several times within a 4-year period. Has occurred recently
Likely	Likely to occur within a 2-year period or less than 50% chance it will occur in the next 12 months	Potential of it occurring more than once within a 4-year period. Has occurred in the last 2 years
Possible	Likely to occur within a 4-year period or less than 25% chance it will occur in the next 12 months	Could occur more than once within a 4-year period. Some history of occurrence
Unlikely	Unlikely to occur within a 4 -year period or less than 10% chance it will occur in the next 12 months	Unlikely to occur more than once in a 4-year period. Has not occurred in last 4 years
Rare	Not likely to occur within a 4 year period or less than 5% chance it will occur in the next 12 months	Has not occurred. Is unlikely to occur.

The numerical values used to classify impact and probability are expanded as follows:

Almost Certain	11 Medium	16 High	20 Very High	23 Very High	25 Very High
Likely	7 Low	12 Medium	17 High	21 Very High	24 Very High
Possible	4 Very Low	8 Low	13 Medium	18 High	22 Very High
Unlikely	2 Very Low	5 Very Low	9 Low	14 Medium	19 High
Rare	1 Very Low	3 Very Low	6 Low	10 Medium	15 High

Likelihood

Impact Negligible Minor Moderate Significant Major

7. Monitoring the Risk

The Trust will monitor its risk profile continuously and recognise the changing landscape of this. The Trust Strategic Risk Register is maintained to identify and document risks and control measures.

The Strategic Risk Register will be reviewed by the board of Trustees on an annual basis, together with the Board Assurance Framework, and by other relevant committees, such as the Audit and Risk Committee (ARC) and the Finance People and Resources Committee (FPRC) on a Termly basis.

It is the responsibility of all staff to understand and monitor risk within their daily operations.

7.1 Risk Register

The Strategic Risk Register is regularly updated by the Head of Operations. The register is reported to the Audit and Risk Committee who monitor related risks. An overview report on risk goes to the Finance People and Resources Committee and the Trust board.

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 Strategic Risk Register as it occurs. Any new or increased risks identified will be evaluated by Senior Leadership Team as part of the fortnightly SLT meeting and, if appropriate, recorded in the Strategic Risk Register. The Strategic Risk Register itself will be periodically reviewed by the SLT for accuracy and currency.

8. Reporting Risk

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

The Trust Board and the Audit and Risk Committee will set out when and what information regarding risks should be received. This information will be clear and offer important information on the Trust's risks. The information reported to the Trust Board and the Audit and Risk Committee will help decide whether risks are being performed within the Trust's risk appetite and being thoroughly mitigated. The number of risks reported and assessed will be a manageable number in order to ensure the Trust's quality control and understanding of risks are not diminished.

Early warning signs of risk will be reported to senior management so that action can be taken promptly. All staff will report new risks or failing control measures as soon as possible.

The appropriate person responsible for the objective which is subject to risk will be aware of the risk and how to manage it. For example, the Designated Safeguarding Lead (DSL) is responsible for upholding the Trust's Child Protection and Safeguarding Statement and will manage any issues related to safeguarding, whereas the Director of Finance will be aware of and plan for mitigating risks which impact the Trust financially.

The Trust will report to stakeholders regarding the effectiveness of its risk management processes on an annual basis. Stakeholders will be made aware of whether the Trust's risk management policies are effective in achieving its objectives.

The Trust Board ensures that the Trust does not report too many overlapping risks and that the Trust makes attempts to ensure risks are only being reported where they are significant. The Trust will ensure communication is clear on all levels and the organisational politics allow for transparency so that all risks can be easily reported by all stakeholders.

8.1. Communicating Risks

The Audit and Risk Committee monitors the Strategic Risk Register each term. The Head of Operations will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered and reported to the Audit and Risk Committee, along with a summary of the actions taken.

- Individual members of staff are aware of their accountability for individual risks and provide the Head of Operations with appropriate updates to the risk register.
- Individuals report promptly to senior leadership any perceived new risks or failure of existing control measures.
- Risk will be discussed with Headteachers at School Review meetings. Control measures and actions will be recorded. Headteachers will report on risk measures to their Local Governing Board.

8.2. Annual risk review and assessment

The internal audit reviews conducted by an external third-party appointed by the Trust, will provide a third level of defence / assurance, seek to provide an annual assessment of the effectiveness of the Trust's management of risk.

The Head of Operations will prepare an annual review of the Risk Management Statement for the Audit and Risk Committee thereby enabling this committee to report to the Trust Board on:

- The significant risks facing the Trust.
- The effectiveness of the risk management processes.
- Whether the Trust remains compliant in this area.

9. Escalation of Risk

It is important that there is a clear and simple method for escalating risk concerns from school to Trust level.

The Trust Headteachers and their respective SLTs will review areas of potential risk within their regular SLT meetings. A formal review of risk is carried out as per a review schedule, with the completion a risk summary assessment. The results of the assessment are then reviewed by the Trust SLT and identified trends in risk will be added to the Trust risk register.

The format framework for reporting and escalating risk is based on the ESFA recommended framework defined by the Institute of Chartered Accountant in England and Wales (ICAEW) and adopted in the DfE Publication "Academy Trust Risk Management."

- **1st line of defence** – management and staff who own and manage risk on a day-to-day basis. Schools will report to the Trust Head of Operations. Risks will be discussed by the Trust SLT and, where appropriate, will be added to the Trust Strategic Risk Register.
- **2nd line of defence** – the board who oversee the effectiveness of the risk management framework. The Trust Finance People and Resources Committee, the Audit and Risk Committee and the Trust Board provide scrutiny on the effectiveness of risk management within the Trust.
- **3rd line of defence** - the internal scrutiny function who provide independent assurance on the overall effectiveness of risk management and controls.
- **4th line of defence** - assurance from external independent bodies such as the external auditors and other external bodies including the Safeguarding Alliance and Ofsted.

9.1 Escalation Process



9.2 Risk Management Cycle

Risk Type	August to October	November to January	February to April	May - July
Trust Corporate / Strategic Risks	<p>Refresh of the corporate risks by Trust SLT (considering internal and external factors) update of Trust Risk Register.</p> <p>Updated Risk Register reported to FRPC and ARC including an update on mitigating and contingency actions and emerging issues from School Review meetings.</p>	<p>Trust Risk Register updated and discussed with SLT following updates on School Review meetings.</p> <p>Reported to ARC, FRPC, SLT and Trust Board</p>	<p>Trust Risk Register updated and discussed with SLT following updates on School Review meetings.</p> <p>Updated Risk Register reported to FRPC, ARC and Trust Board including an update on mitigating and contingency actions.</p>	<p>Trust Risk Register updated and discussed with SLT following updates on School Review meetings.</p> <p>Updated Risk Register reported to FRPC, ARC and Trust Board including an update on mitigating and contingency actions.</p>
School and Support Services Risks	<p>Risk to be captured in School Review meetings / Operations Manager meetings / FM Meetings as part of a consideration of internal and external factors affecting the delivery of School strategies.</p> <p>Schools submit identified risks to Local Governing Body for consideration.</p>	<p>Updates to School-based risk communicated to and reviewed with Head of Trust Operations. Trend analysis undertaken. Escalation to Trust risk register if necessary.</p>	<p>Updates to School-based risk, including a review of actions taken, reviewed with Head of Trust Operations. Trend analysis undertaken. Escalation to Trust risk register if necessary. Risks reviewed by Local Governing Body</p>	<p>School Review meetings to be reviewed and updated as part of the annual Planning Cycle and Action Planning.</p>
Departmental and Support Service Risks	<p>Areas of concern captured within departmental meetings and escalated to HT or OM as appropriate</p>	<p>Areas of concern captured within departmental meetings and escalated to HT or OM as appropriate</p>	<p>Areas of concern captured within departmental meetings and escalated to HT or OM as appropriate</p>	<p>Areas of concern captured within departmental meetings and escalated to HT or OM as appropriate</p>

10. Areas for improvement

Any areas identified as being in need of improvement will be discussed at fortnightly Trust SLT meetings and presented each term at the Audit and Risk Committee; Finance, Resources and People Committee and, where tabled, the Trust Board.

11. Insurance

The Trust is a member of the risk protection arrangement (RPA). The Trust will cooperate with risk management auditors and risk managers and will implement reasonable risk management audit recommendations that are made.

12. Review and Revision

This Risk Management policy and associated Risk Appetite statements are reviewed on a two-year cycle to ensure its alignment with the Trust's strategic objectives, changes in the national education operating environment and emerging risk trends.

Appendix 1 Risk Appetite Statements

Risk Appetite Statement	Risk Appetite
<p>High Quality Outcomes for Learners</p> <p>The Trust is committed to identifying and implementing bold, high quality and innovative teaching, learning and assessment methodologies to achieve excellent outcomes for all learners. To achieve this impact the Trust will have an open risk appetite.</p>	<p>Open</p>
<p>Collaboration & Engagement</p> <p>The Trust will always look to work with or improve engagement with key stakeholders, partners and potentially competitors. In order that we can identify and maximise appropriate and impactful opportunities we will be open in our appetite to risk.</p>	<p>Open</p>
<p>Digital</p> <p>The Trust has a commitment to innovation, transformation and ongoing investment in both digital hardware and software including AI. To achieve this, we will have an Open risk appetite provided key controls that influence all aspects of resilience, or cyber security, are appropriate and effective.</p>	<p>Open</p>
<p>Estates & Environment</p> <p>Recognising the need to continually invest to maintain and improve the standard of the Trust's infrastructure, we are open in our risk appetite to exploring and implementing innovative new ideas whilst ensuring we continue to develop the experience and working environments for our staff and learners.</p>	<p>Open</p>
<p>Financial</p> <p>Successful financial sustainability is making sure the Trust has robust financial management whilst maximising the identified opportunities. To balance all aspects appropriately overall we will have a cautious approach to financial risks.</p>	<p>Cautious</p>
<p>Governance</p> <p>The Trust is always open to explore the right opportunities and maximise sustainable growth. To achieve this naturally requires the Trust to be open in its risk appetite and willing to explore different opportunities provided they complement our core business, strategic aspirations and risk is fully known and understood.</p>	<p>Cautious</p>
<p>Growth</p> <p>The Trust is always open to explore the right opportunities and maximise sustainable growth. To achieve this naturally requires the Trust to be open in its risk appetite and willing to explore different opportunities provided they complement our core business, strategic aspirations and risk is fully known and understood.</p>	<p>Open</p>
<p>Our People</p> <p>An open risk appetite is key to creating a culture to grow our people and effectively engage, recruit, engage, empower and retain staff while boosting our capacity to innovate and deliver our objectives.</p>	<p>Open</p>
<p>Safety & Security</p> <p>The Trust will keep the safeguarding, security and safety of learners at the core of its activities. However, the Trust recognises that in providing learners the opportunities to gain valuable skills and experiences, a level of inherent risk exists and therefore the Trust takes a cautious approach to managing such risk.</p>	<p>Cautious</p>

Appendix 2 The Nolan Principles – Seven Principles of Public Life

The Seven Principles of Public Life outline the ethical standards those working in the public sector are expected to adhere to. They were first set out by Lord Nolan in 1995

- **Selflessness:** Holders of public office should act solely in terms of the public interest.
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty:** Holders of public office should be truthful.
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.