RISK MANAGEMENT POLICY

The People's Learning Trust:

Risk Management Policy

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1. INTRODUCTION

The purpose of this Policy is to ensure that The People's Learning Trust (TPLT) maintains and develops a robust approach to risk and risk management in terms of process and procedures. TPLT considers risk management to be fundamental to good management practice and a significant aspect of corporate governance. Effective management of risk will provide an essential contribution towards the achievement of the Trust's strategic objectives and associated business priorities. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department of Education (DfE).

The Trust must comply with the principles of risk management outlined in the Academies Trust Handbook (ATH) published by the DfE. This Policy expands on that and provides detailed information on the Trust's risk policy and procedures.

The Trust considers risk and risk management as an integral part of decision making and routine management and must be incorporated within strategic and operational planning processes, at all levels, across the Trust.

2. AIMS

TPLT aims to:

- Set out the framework TPLT has adopted for risk management;

- Identify, measure, manage, monitor and report threats to the Trust's business objectives:

- Embed risk management processes in both day-to-day operations and governance.

3. LEGISLATION

This policy is based on the following statutory and non-statutory guidance from the Department for Education (DfE):

Academy Trust Handbook 2024

Academy Trust Risk Management

This Policy also complies with our funding agreement and Articles of Association.

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4. ROLES & RESPONSIBILITIES

The Trust Board will:

- Take overall responsibility for risk management, including contingency and continuity planning;
- Have oversight of the Trust Risk Register, each academy will have their own register, as well as a central Trust register;
- Appoint an Audit & Risk Committee in accordance with the ATH.

The Audit & Risk Committee will:

- Maintain an oversight of TPLT's financial, governance, risk management and internal control systems;
- Report findings regularly and annually to the Trust Board and the Accounting Officer (CEO) as a critical element of the Trust's annual reporting requirements.

Headteachers will:

- Carry out day-to-day risk management in each academy;
- Assess operational risks;
- Identify and report risks through to CFOO for cascading up to Audit & Risk Committee, as required.

Local Governing Boards will:

- Work with the Trust leadership team to identify risks and ensure plans ae in place to minimise any impact on each academy and its pupils.

5. RISK IDENTIFICATION

At the risk identification stage, all potential events that are a threat to the achievement of business objectives (including not capitalising on opportunities) are identified, defined and categorised.

Risks will be considered under the following categories:

- **Pupil Outcomes -** Covers risks that may impact the quality of education, academic progress, attainment, and overall pupil achievement across the Trust.

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- **Wellbeing and Safety -** Encompasses risks related to the physical and mental wellbeing, safeguarding, and health and safety of pupils, staff, and stakeholders.

- **Finance -** Relates to risks that could affect the financial health, sustainability, budgeting, income, expenditure, and statutory financial compliance of the Trust.

- **Reputation -** Includes risks that could damage the Trust's public image, stakeholder confidence, or relationships with parents, partners, regulators, and the wider community.

- **Operations -** Captures risks affecting the day-to-day running of the Trust and its academies, including staffing, IT systems, facilities management, and business continuity.

- **Strategy -** Concerns risks that may hinder the delivery of the Trust's long-term vision, strategic objectives, growth plans, or organisational development.

- **Legal & Compliance -** Covers risks relating to failure to comply with statutory and regulatory requirements, including governance, data protection, HR, and education law.

6. RISK MEASUREMENT

Risk measurement consists of assessment, evaluation and ranking. This ensures all identified risks are compared according to a consistent standard.

Assessment

The aim of assessment is to better understand each specific instance of risk, and how it could affect business objectives.

As such, each academy and the Trust as a whole (from a central perspective) will estimate:

- The **likelihood** (or probability) of it occurring, and
- The **impact** (or severity) if it did occur

Both the above risk factors are assessed using a simple 5-point scale split as follows:

Likelihood: 1 Rare, 2 Unlikely, 3 Possible, 4 Likely, 5 Almost certain

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Impact: 1 Negligible, 2 Minor, 3 Moderate, 4 Major, 5 Severe

Evaluation & Ranking

The scores for each risk's likelihood and impact are combined to derive a single risk score reflecting its overall level of threat.

Once the scores have been combined, they will be plotted on a risk matrix (below) to determine a RAG rating for the risk. This rating determines the level of priority for risk mitigation.

		Impact				
		1	2	3	4	5
Likelihood	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5

Risk matrix key:	
Low (acceptable)	
Medium (tolerable)	
High (unacceptable)	

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7. RISK CONTROL

The Trust Board will consider the "4 Ts" when deciding the appropriate risk treatment option(s), balancing the potential benefits from the achievement of objectives against the costs, efforts, or disadvantages of proposed actions.

- **Tolerating** risk is where no action is taken. This may be because the cost of instituting controls is not cost-effective, or the risk or impact is so low that they are considered acceptable.

- **Treating** risk involves controlling it with actions to minimise the likelihood of occurrence or impact. There may also be contingency measures to reduce impact if it does occur.

- **Transferring** risk may involve the use of insurance or payment to third parties willing to take on the risk themselves (for instance, through outsourcing).

- **Terminating** risk can be done by altering an inherently risky process to remove the risk. If this can be done without materially affecting operations, then removal will be considered, rather than attempting to treat, tolerate or transfer. Alternatively, if a risk is ranked highly and the other potential control measures are too expensive or otherwise impractical, the rational decision may well be that this is a process the Trust will not be performing at all.

8. MONITORING OF RISK

Monitoring is ongoing and continuous, as this supports the Trust's understanding of whether and how the risk profile is changing. Monitoring also provides assurance on the extent to which the mitigating actions and controls are operating as intended and whether risks are being managed to an acceptable level.

The risk register is central to risk monitoring. As risks are identified, they will be logged on the register and the associated control measures documented.

The CFOO is responsible for updating the central Trust risk register, Headteachers (or their nominated representatives) are responsible for updating the academy risk register.

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9. REPORTING & SCRUTINY

The Trust Board will review the risk register annually, as required by the ATH. However, the Audit & Risk Committee will review the risk register at each meeting which may result in matters being raised up to the Trust Board.

The Trust Board will keep the Trust's risk appetite under review and consider the ongoing appropriateness of the risk management policy. In the event of unforeseen circumstances, the Trust Board will consider the extent to which the risk was identified and measured and whether the selected control measure was appropriate.

The risk register will facilitate a rational risk-based approach for the internal scrutiny function's work programme. The Audit & Risk Committee is responsible for directing the Trust's programme of internal scrutiny which will focus on:

- Evaluating the suitability of, and level of compliance with, financial and non-financial controls;

- Offering advice and insight to the Trust Board on how to address weaknesses in financial and non-financial controls;

- Ensuring all categories of risk are being adequately identified, reported and managed.

10. MONITORING & REVIEW

The Trust Board will review this policy annually.