

GIPPESWYK COMMUNITY EDUCATIONAL TRUST

This Policy has been adopted and approved by Gippeswyk Community Educational Trust and is to be used by all members of the Trust.

RISK MANAGEMENT POLICY	
Approved by GCET	06.03.2018
Date of next Review	Summer Term 2019-2020 (<i>Reviewed Annually</i>)
Responsible Officer	Trust CFO – Mrs T Goodchild
Policy Number	TF7

Introduction

GCET's Risk Management Policy explains the Trust's underlying approach to risk management. It gives key aspects of the risk management process and identifies the main reporting procedures. The policy is reviewed and amended, if appropriate, on an annual basis by the Trustees.

Purpose

This Risk Management Policy (the policy) forms part of the GCET's internal control and governance arrangements.

The policy explains the GCET's underlying approach to risk management. It gives key aspects of the risk management process and identifies the main reporting procedures.

It describes the process the Trust Board will use to evaluate the effectiveness of the GCET's internal control procedures.

Approach to Risk Management

The following key principles outline the GCET's approach to risk management:

- As the principal executive and policy-making body of the GCET, the Trustees are responsible for risk management.
- The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the Funding Agreement and the Academies Financial Handbook issued by the Department for Education.
- There should be an open and receptive approach to resolving risk issues.
- The Committee's advise the Trust Board on risk management.
- The GCET makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.

- All members of the Trust Board, the individual Academies Governing Body and Leadership & Management Teams are responsible for encouraging and implementing good risk management practice within the GCET and all of its Departments.
- Early warning mechanisms will be put in place and monitored to alert the GCET to any risk events or near misses so that suitable remedial action can be taken to manage such risk positions.

Role of the Trust Board

The Trust Board has a significant role to play in the management of risk. Its role is to:

- Set the tone and influence the culture of risk management within the GCET. This includes:
 - Determining whether GCET is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue.
 - Determining what types of risk are acceptable and which are not.
 - Setting the standards and expectations of staff with respect to conduct and probity.
- Determine the appropriate risk appetite or level of exposure for GCET.
- Determine GCET's risk prioritisation protocol.
- Approve major decisions affecting GCET's risk profile or exposure.
- Monitor the management of fundamental risks.
- To be satisfied that the less fundamental risks are being actively managed, with the appropriate level of controls in place and operating effectively.
- Review annually GCET's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

Role of each Academies' Leadership & Management Team

Key roles of the Academies' Leadership & Management Team are to:

- Implement GCET policies on risk management and internal control.
- Identify and evaluate the fundamental risks faced by the Academy for consideration by the Trustees, CEO, CFO and Principals.
- Assist the Trustee Committee's to undertake an annual review of risk management and the effectiveness of the system of internal control.
- Embedding risk management as part of the system of internal control.

System of Internal Control

The system of internal control incorporates risk management. It encompasses a number of elements that together facilitate an effective and efficient operation, enabling GCET to respond to a variety of risks. These elements include:

- **Policies and Procedures**

Attached to fundamental risks are a series of policies that underpin the internal control process. These policies are set by the Trustees. Written procedures support the policies where appropriate.

- **Development Planning and Budgeting**

The development planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting development plan objectives is monitored regularly.

- **Risk & Control Framework**

The **Risk Register** is formally revised annually but emerging risks are added as required and improvement actions and risk indicators are monitored regularly.

- **Responsible Officer (RO)**

GCET's RO will be a Trustee (but not the chairman), or an appropriately qualified and experienced individual not on GCET's staff, with the necessary financial interest and skills to be able to perform the role competently. The appointee will be able to show that the responsibilities being undertaken are fully understood and have sufficient understanding to recognise any irregularities which may arise and sufficient authority to ensure they are addressed.

- **External Audit**

External audit informs the Trustee Finance and Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit.

- **Third party Reports**

From time to time, the use of external consultants may be appropriate in areas such as health and safety, and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

The Trust's Annual Review of Effectiveness

The Trust Board will undertake an Annual Review to consider:

- Whether risk management continues to be linked to the achievement of GCET's objectives;
- The appropriate risk appetite or level of exposure for GCET as a whole;

- Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving GCET's objectives;
- Whether risk assessment and risk-based internal control are embedded in ongoing operations and form part of its culture;
- Changes in the nature and extent of fundamental risks and GCET's ability to respond to changes in its internal and external environment since the last assessment;
- The scope and quality of management's on-going process of monitoring the system of internal control including such elements as the effectiveness of assurance functions;
- The extent and frequency of reports on internal control to the Trust Board and whether this is sufficient for the Trust Board to build up a cumulative assessment of the state of control and effectiveness of risk management;
- The incidence of any fundamental control failings (risk events) or weaknesses identified at any point within the year (near misses) and the impact that they have had or could have on financial results;
- The effectiveness of GCET's public reporting processes;
- The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.