

*'...those who hope in the LORD will renew their strength.
They will soar on wings like eagles; they will run and not grow weary,
they will walk and not be faint.'* Isaiah 40:31

connect | nurture | aspire | learn | excel | hope



Brenzett CE Primary Academy



Multi Academy Trust Policy

Common Trust Policy, Use as Published

Risk Management Policy

Date adopted by Trust Board: 27/02/2019

Date of Review: 02/2020

Date of next Review: 02/2022

1. Purpose of the Policy:

Aquila, The Diocese of Canterbury Academies Trust (The Trust) is committed to providing a safe environment for all its members.

Risk is an inherent aspect of all academic, administrative and commercial business activities so sound risk management principles must become part of routine management activity.

The key objective of this policy is to ensure that the Trust has a consistent basis for measuring, controlling, monitoring and reporting risk across the organisation at all levels and forms an integral part of our internal control and corporate governance arrangements. This policy explains the Trust's underlying approach to risk management, the roles and responsibilities of the Board, the Audit and Risk Committee (ARC), Local Governing Bodies (LGB) and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

This policy has been written with our values of aspire and learn at its heart.

2. Aims and underlying approach to risk management:

The ESFs financial Handbook stipulates that

"The trust must manage risks to ensure its effective operation. The trust should maintain a risk register. The trust's management of risks must include contingency and business continuity planning."

With this obligation in mind our Risk Management Strategy aims to:

1. Identify and evaluate risks which could prevent the Trust and each academy from achieving our strategic aims and objectives and delivery targets or make their achievement substantially more difficult.
2. Assess the likelihood of such risks occurring (high, medium, low) and the potential impact of such occurrences.
3. Enable decisions to be taken on how much risk to accept, the actions/controls applied to avoid or mitigate the likelihood of such circumstances arising.

3. Risk Management Process:

The Trust is committed to providing a safe environment for all members of the school community. In order to do this, we consider:

- The nature and extent of risks that the Trust faces.
- The extent and categories of risks that are acceptable.
- The likelihood of the risks concerned materialising.
- Strategies for reducing the impact of risks that do materialise.

To compile the risk register the Trust and each Academy will have access to the GRC One risk assessment tool. The system allows a self-evaluative approach to risk management at local level (including the central team) which then provides a consolidated overview of the risks across the whole trust.

The Trust recognises that there will be risk at both local and at Trust level. The GRC One risk register is compiled online and gives an overview of risk across the trust, considering likely risks relating, but not exclusively, to:

- Strategic and Reputational Risk
- Economical/Financial/Market Risk
- Legal and Regulatory Risk
- Organisation/Management/Human Factors
- Political Risk

- Environmental Risk
- Technical/Operational/Infrastructure Risk

Once a risk has been established, the reviewer will assess whether:

- The risk of both likelihood and impact of the event is high.
- The risk of the likelihood or impact of the event is high.
- The risk of neither the likelihood nor the impact is high.

Addressing risks

When responding to risks, the LGBs and the Trust will ensure that the risk is well-managed so that the potential threat does not materialise.

The system allows for one of the three responses to the risk as outlined below:

- **Accept** – The Trust accepts the possibility that the event may occur. This may be because the cost of the countermeasures is too great and will outweigh the possible downside, or because the Trust believes there is only a remote possibility of the event occurring.
- **Mitigate** – The response actions either reduce the likelihood of a risk developing or limit the impact on the school to acceptable levels.
- **Monitor** – Countermeasures are put in place to either stop a problem or threat occurring, or prevent it from having an impact.

The risk register can be reviewed and updated at any time. As new risks are identified throughout the year these will be added to the risk register and assessed at meetings of the ARC and LGBs. All new risks will be reported by the Finance Director to the next ARC. Risks may also be mitigated by actions and the score downgraded during the year, so the system should be kept under review by all of those responsible for it to ensure that actions have the desired impact.

4. Roles and Responsibilities:

The Role of the Board of Directors

The Board of Directors (Board) has responsibility for the total risk exposure of the Trust and will be responsible for:

- Approving major decisions affecting the Trust's risk profile or exposure
- Deciding on the Trust's appetite for risk
- Determining what types of risk are acceptable/not acceptable and monitoring significant risks and control improvements to mitigate risks
- Annually reviewing the Trust's approach to risk management and approving changes or improvements to key elements of the process and procedures

The Role of the Audit and Risk Committee

The role of the ARC is to support the Board in ensuring that a framework is established and maintained for the identification and management of risk and to monitor internal and external audit matters across all schools in the Trust. The Committee is responsible for:

- Overseeing the Trust consolidated risk register
- Reviewing all risks identified as "red" risks
- Satisfying itself that the less fundamental risks are being actively managed, with the appropriate controls in place and working effectively
- Ensure that the risk aspects of new projects are considered when project plans are drawn up

The Role of the Local Governing Body

Each LGB will have oversight of the GRC One register for their academy. It is the LGBs responsibility to ensure that the system has been completed, kept under regular review and that actions are taken to mitigate against perceived risks for their academy. As a minimum, the Risk Matrix or other reports must be considered at each full meeting of the LGB. The LGB is responsible for

- Considering the risks that apply to their academy
- Ensure actions are taken to reduce risks for the academy particularly high-level risk
- Ensure a regular review of practice and risk management in the Academy
- Assessing whether there are any risks which could impact or impede the strategic priorities for the Academy

5. Monitoring & Review:

ARC will identify and evaluate the significant risks faced by the Trust by:

- Providing adequate information in a timely manner to the Board on the status of risks and controls
- Participating biannually in a risk review and reporting the outcomes to the Board implementing policies on risk management and internal controls
- Reviewing all reports from internal audits and monitoring the implementation of any recommendations
- Receiving an annual review of the effectiveness of the system of internal control and risk management from internal audit
- Receiving an annual report from the external auditor on the effectiveness of the internal controls reviewed as part of the audit.
- Annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

In addition to GRC, the trust will undertake regular internal and external audits and compliance visits. Appendix A outlines a review of internal control while other examples include the Elis Whittam General Risk Assessment of Health and Sfatey practice at each site. These will also offer an indication of any risks at each Academy.

The Trust will review this policy every two years and assess its implementation and effectiveness.

Internal Controls Checklist

Financial Controls	Yes	No	N/A
Is there segregation of Finance duties?			
Do the local governing body undertake an annual review of the internal controls?			
Are annual budgets approved by the Board of Trustees?			
Is the budget monitored regularly and variances explained?			
Have the Trust appointed an internal auditor and/or audit committee?			
Are the directors provided with regular information about the financial performance of the organisation?			
Is financial performance discussed at all Board meetings?			
Are terms of reference in place for all committees and sub-committees of the Board?			
Does the finance and resources committee report directly to the Board?			
Is a financial system used to record all transactions?			
Is a reserves policy in place?			
Do the accounts meet with legal requirements?			
Are the end of year accounts formally approved by at AGM?			
Have external auditors been appointed?			
Are the annual return and annual accounts filed on time with Companies House?			
Are staff and directors familiar the Trust's Fraud policy?			
Are the following policies in place:			
Whistle Blowing and Register of Director's interests?			
Is there a policy regarding the storage of electronic information?			
Is the computer network protected from external interference?			
Are all incoming cash and cheques recorded immediately?			
Is unopened mail kept secure?			
Is the organisation registered with HMRC as a charity?			
Is gift aid collected?			
Is the level of non- charitable trading significant enough to need a trading subsidiary?			
Are there invoicing procedures in place for goods and services supplied?			
Is there a debt collection procedure in place?			
Are there procedures in place to record and track the collection of all income?			
Are all receipts banked at least weekly?			
Does insurance cover cash in transit and on site?			
Is the income recorded by more than one person?			
Is there a written Scheme of Delegation detailing authorised financial limits?			
Are all invoices checked against original price and goods received prior to payment?			
Is it stipulated who can sign cheques?			

Are bank mandates amended when authorised signatories leave the Trust?			
Does the bank mandate required two signatories?			
Is there a practice of not signing blank cheques?			
Are cheque books kept in a secure place with only limited access by authorised persons?			
Are cheques only signed with documentary evident to support the nature of the payment?			
Is all cheque expenditure recorded on the financial systems?			
Are there restrictions in place for the use of charge cards?			
Is all card expenditure supported by purchasing documentation each time it is used?			
Are card statements checked monthly against all purchasing documentation prior to payment?			
Are only named individuals allowed to set up direct debits?			
Is a dual authorisation system used for BACS payments?			
Are automatic payments cancelled once goods from that supplier are no longer required?			
Are cash payments minimised?			
Are all payments in cash made from petty cash?			
Are all petty cash payments recorded on the finance systems?			
Is the petty cash float independently checked on a regular basis?			
Are NIC and tax deducted from salaries in line with HMRC regulations?			
Is minimum pay legislation complied with?			
Are all other deductions from salaries authorised?			
Are end of year returns (P60 and P11D) filed with HMRC on time?			
Are appropriate pensions offered to all members of staff?			
Are procedures for auto-enrolment into pension schemes in place?			
Do all employees have contracts of employment?			
Are all personnel records kept securely and separately from payroll records?			
Are salary levels properly authorised and recorded?			
Is there a system of authorisation for recording and notifying starters and leavers, changes of hours and other payroll changes?			
Are salary payments made by BACS?			
Is there a written policy with regard to the payment and reimbursement of expenses?			
Has this policy been communicated to all staff?			
Are reimbursements made by BACS or cheque?			
Does the expense claim include a self- declaration that claim is accurate and incurred on the business of the Trust?			
Are mileage rates paid in line with HMRC guidelines?			
Are all bank statements reconciled on a monthly basis?			
Are checks made to ensure that are no discrepancies between payments made and the original invoice and/or order?			
Are checks made by someone other than the person who entered the record?			
Is a fixed asset register held and updated regularly?			

Are assets checked regularly to ensure they are in good repair?			
Are all assets covered by insurance?			
Is an annual check of all fixed assets undertaken annually?			
Is there an investment policy in place?			
Is professional advice sought in the selection of appropriate investment options?			
Is the performance of investments regularly reviewed?			
Are there controls in place to ensure investment income is received?			
Are secure records kept of all bank and building society accounts kept?			
Are regular bank statements received and statements reconciled monthly?			
Are instructions to open and closed bank accounts properly authorised and approved by the Board?			
Are accounts monitored to ensure there is no third party use?			
Does the Board regularly reviewed the cost, benefits and risks of the current banking provision and deposits?			
For electronic banking, does the system allow for authorisation by two individuals?			
Are PCs kept secure and up-to-date with virus software and firewalls?			
Are the finance systems backed up overnight?			
Is there secure off-site back up of electronic data?			
Are staff reminded of the need to ensure all passwords and PINs are kept secure?			
Are passwords and PINS regularly changed?			
Is an audit trail kept of all electronic banking transactions?			
Have those using on-line banking transactions been trained in their use?			
Are procedures in place to ensure restricted funds are used for their intended purpose?			