



TFT Risk Management Policy 2025

Date of Review: May 2025

Lead Reviewer: Trust Finance Director & Commerce & Risk Manager

Approval: Audit and Risk Committee

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Next Review Date: May 2026

Purpose and Objectives

1. This policy outlines the Trust's approach to risk management, establishing a consistent and proactive framework to identify, assess, mitigate, and monitor risks that may impact the achievement of strategic and operational objectives.
2. It aims to:
 - Promote a culture of risk awareness at all levels of the organisation.
 - Protect the Trust's assets, reputation, pupils, and staff.
 - Ensure compliance with statutory obligations, including the Academy Trust Handbook.
 - Support informed decision-making and effective governance.

Introduction

3. This policy forms part of The Futures Trust's governance arrangements and systems of internal controls. It aims to set out the framework the Trust had adopted for risk management, to identify, measure, manage, monitor and report threats to the Trust' business objectives and to embed risk management processes in both day to day operations and governance.

Legal Framework

4. The policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:
 - Academy Trust Handbook
 - [Academy Trust Risk Management](#)
 - Academies Act 2010
 - Companies Act 2006
 - The UK General Data Protection Regulation (GDPR)
 - Data Protection 2018
 - Health and Safety at Work etc. Act 1974

Definitions

5. A risk in this context is the identification of anything which may be likely to negatively impact the Trust's aims and objectives. Risks can arise from within the Trust as a result of decision making, which are generally easier to control or they can be from outside of the Trust and these tend to be harder to control. The *Risk Identification* section of this policy provides more information on identifying and categorising risks.
6. A risk appetite is the level of risk that the Trust is willing to accept in pursuit of achieving its goals. Minimising safeguarding, compliance, reputational and financial risk is important however, it is often necessary to take other risks to

achieve strategic goals. A risk appetite gives an idea of whether the risk is worthwhile and justifiable.

Roles and Responsibilities

7. The Board of Trustees will:

- Take overall responsibility for risk management, including contingency and continuity planning
- Have oversight of the risk register
- Ensuring risk are identified, managed, measured and reported appropriately
- Appointing an Audit and Risk Committee
- Delegating responsibility to manage areas of risk, where appropriate
 - determine risk appetite (levels of acceptable risk) for the trust
 - agree initiatives which materially affect the trust's risk profile or exposure
 - review the trust's risk register regularly (at least annually) and direct mitigating strategies.

8. The Audit and Risk Committee will:

- be responsible for directing the Trust's programme of internal scrutiny
- ensure that risks are being addressed appropriately through internal scrutiny
- report to the Board of Trustees on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks
 - undertake (for example, by commissioning internal audit) an annual review of effectiveness of the systems of internal control and risk register for reporting to the Board of Trustees.

9. Headteachers/Heads of School will:

- Ensure the effective and consistent implementation of the Trust's approach to risk management
- Carryout day to day risk management and acknowledge, mitigate and prevent risks which endanger the safety of pupils, staff and visitors
- Ensure risk taking does not conflict with the Trust's Health and Safety Policy
- Assess operational risks
- Identify and report risks to the audit and risk committee

Risk Appetite

10. The Trust actively identifies, evaluates, and mitigates risk to ensure exposures are managed within agreed and acceptable tolerances. While it is not possible to eliminate all risk, the Trust promotes a strong culture of risk awareness through training, development, and performance management. This approach ensures

that all staff understand the risks associated with their roles and are empowered to manage them appropriately.

11. The Trust does not take unnecessary risks and will only proceed where the risk is considered justifiable. Where a potential risk could jeopardise the Trust's reputation or operations, careful consideration will be given to the likelihood of the risk materialising and the controls in place to mitigate it.
12. The Trust recognises that risk is a natural part of innovation, development, and implementation. However, risk-taking will only be undertaken following appropriate assessment and due diligence.
13. Where the cost, consequence, or likelihood of a risk materialising is deemed too high—and where the contributing factors cannot be sufficiently mitigated—the Trust will not proceed with the action, provided it has the authority to prevent it.
14. The Trust's risk appetite is informed by its capacity to manage and mitigate risks, including the availability of financial resources, staffing, and operational capabilities, to ensure positive outcome

Risk Identification

15. The Board of Trustees, the Audit and Risk Committee and staff members at the Trust are responsible for identifying and categorising risks. Risks will be considered under the following categories:
 - **Internal Risks** – these are risks which the Trust has some control over, by managing them through internal controls or additional mitigating actions. For example, health and safety risks or data security risks.
 - **External Risks** – these are significant external events or perils, such as a pandemic or extreme weather.
 - **Strategic Risks** – these are risks to the achievement of the Trust's core objectives. For example, the risk of a high staff turnover.
 - **Project Risks** – these are risk associated with any critical projects the Trust may be involved in. For example, slippage on the delivery timescale for a new building.

Measuring Risk

16. Risk measurement consists of assessment, evaluation and ranking. This ensures all identified risks are compared according to a consistent standard.
17. The aim of assessment is to better understand each specific instance of risk, and how it could affect business objectives. The Trust will estimate:
- the likelihood (or probability) of it occurring, and;
 - the impact (or severity) if it did occur
18. Both of the above risk factors are assessed using a simple 3-point scale: high, medium and low.
19. Once the scores for probability and impact have been combined into a single risk score, 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.
20. The Trust will prioritise risks that are low likelihood and high impact over risks with high likelihood and low impact, as the former could be catastrophic for the Trust.

Impact	Probability		
	Low	Medium	High
High	3	6	9
Medium	2	4	6
Low	1	2	3

Probability	Description	Indicator
High	Likely to occur each year, or more than 25% chance of occurrence within the next 12 months	Potential of it occurring several times within a 4-year period or has occurred recently
Medium	Likely to occur within a 4-year time period or less than 25% chance of occurring within the next 12 months	Could occur more than once within a 4-year period Some history of occurrence
Low	Not likely to occur within a 4-year time period or less than 5% chance of occurrence	Has not occurred or is not likely to occur

Impact	Description
High	<p>The financial/reputational impact will be significant [in excess of £50,000]</p> <p>Has a significant impact on the Trust/school's strategy or on teaching and learning has significant stakeholder concern</p> <p>Can cause significant reputational damage to the Trust/school</p>
Medium	<p>The financial/reputational impact will be moderate [between £25,000 and £49,000]</p> <p>Has no more than a moderate impact on strategy or on teaching and learning</p> <p>Moderate stakeholder concern</p> <p>Can cause moderate reputational damage to the Trust/school</p>
Low	<p>The financial/reputational impact is likely to be low [between £5,000 and £24,000] has a low impact on strategy or on teaching and learning</p> <p>Low stakeholder concern</p> <p>Is unlikely to cause any reputational damage to the Trust/school</p>

Managing Risk

21. After assessing, evaluating and ranking the risks, the trust will implement preventative controls, such as contingency planning and strictly adhering to the Trust's risk appetite and risk capacity. The Trust's risk appetite and capacity to take risks will inform how risks will be managed, mitigated or prevented. The Trust will discuss and challenge the effectiveness of these controls and determine if they are appropriate.

22. The Trust will hold discussions to ensure stakeholders are comfortable with the control measures in place to minimise risks having a negative impact.

23. The Trust understands that good methods for risk prevention and mitigation will give greater control of the risk and consider the capacity of the Trust's resources to deal with mitigating or preventing the risk. To manage risks, the Trust will:
 - Tolerate risk and take no action to control the risks if control measures are deemed unnecessary for the level of risk or impact.
 - Treat the risk through contingency planning and preparation to minimise the likelihood of occurrence and impact.
 - Transfer risk by taking out insurance or carrying out strategic risks through third parties and mitigate any negative impact risk occurrence would have on the Trust.

- Terminate risk by altering and removing potential risks, making rational decisions, and deciding when the risk is too high to perform an action.

24. The Trust will take this approach in order to ensure that taking risks is an opportunity rather than a rudimentary threat to aims and objectives.

Assurance Framework

25. The Trust operates a layered assurance model that supports the effective oversight and management of risk. This includes:

- **Internal Controls:** Operational processes, delegated authority, and compliance procedures implemented across Trust schools and functions.
- **Internal Scrutiny:** Directed by the Audit and Risk Committee, internal scrutiny (including internal audit) provides independent assurance on the adequacy of financial and non-financial controls. Findings inform the risk register and highlight areas requiring attention or improvement.
- **External Audit:** External auditors provide independent scrutiny of the Trust's annual accounts and compliance with statutory frameworks such as the Academy Trust Handbook. Findings and recommendations are reviewed by the Audit and Risk Committee and incorporated into risk monitoring and management activities.

Monitoring Risk

26. 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.

27. The Trust will cooperate with risk management auditors and risk managers and implement reasonable risk management audit recommendations made to them.

28. 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.

Reporting Risk

29. The Board of Trustees 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 Board of Trustees 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 is not diminished.

30. The Board will review the risk register annually, as required by the Academy Trust Handbook.

31. The risk register will facilitate a rational risk-based approach for the internal scrutiny function's work programme. The Audit and 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 board on how to address weaknesses in financial and non-financial controls
- Ensuring all categories of risk are being adequately identified, reported and managed

32. Risks are monitored by senior leaders on the Trust's risk register and emerging risks which are a cause for concern are reported to the Audit and Risk Committee. 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 risk register as it occurs. Any new or increased risks identified by senior leaders, or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register

Critical Incidents to be escalated to Trustees

33. Escalation of 'critical incidents' will provide Trustees with sight of the major risks facing the trust and how these are being mitigated and managed by senior leaders. Critical incidents are key data points which can signal a need for further investigation or management action as a result of 'lessons learnt'. Critical incidents should be escalated to the first Board of Trustees following identification and are defined as follows:

- Business Interruptions where public examinations / SATs testing is interrupted or where teaching and learning is interrupted for the majority of students for 3 hours or more
- Incidents requiring Insurance Claims
- Incidents which resulted in life threatening injury, loss of life or which could have endangered life
- Incidents which are or are likely to attract negative media coverage (local and national press)
- Incidents with a potential financial impact of £100K or more
- Incidents which are likely to result in court action against the Trust or one of its staff.
- Safeguarding incidents where school activity was outside nationally agreed practice or where school activity contributed in any way to the incident (e.g. by not following its own procedures).
- Any incident which has the potential for any school to be forcibly investigated by a 3rd party.

- Buildings Damage or Deterioration which impacts classroom / teaching space, or leads to significant health and safety concerns.

34. It is envisaged that these definitions should be revisited periodically to ensure that the balance of number and severity of incidents escalated to Trustees is appropriate.

Insurance

35. 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.

36. The Trust will consider whether it needs commercial insurance in addition to RPA cover.